



DHL JAPAN INNOVATION DAY

DRIVING THE DIGITAL FUTURE IN CONSUMER & RETAIL

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DHL Consulting; DHL Supply Chain Japan

Tokyo, 23 May 2019



Agenda

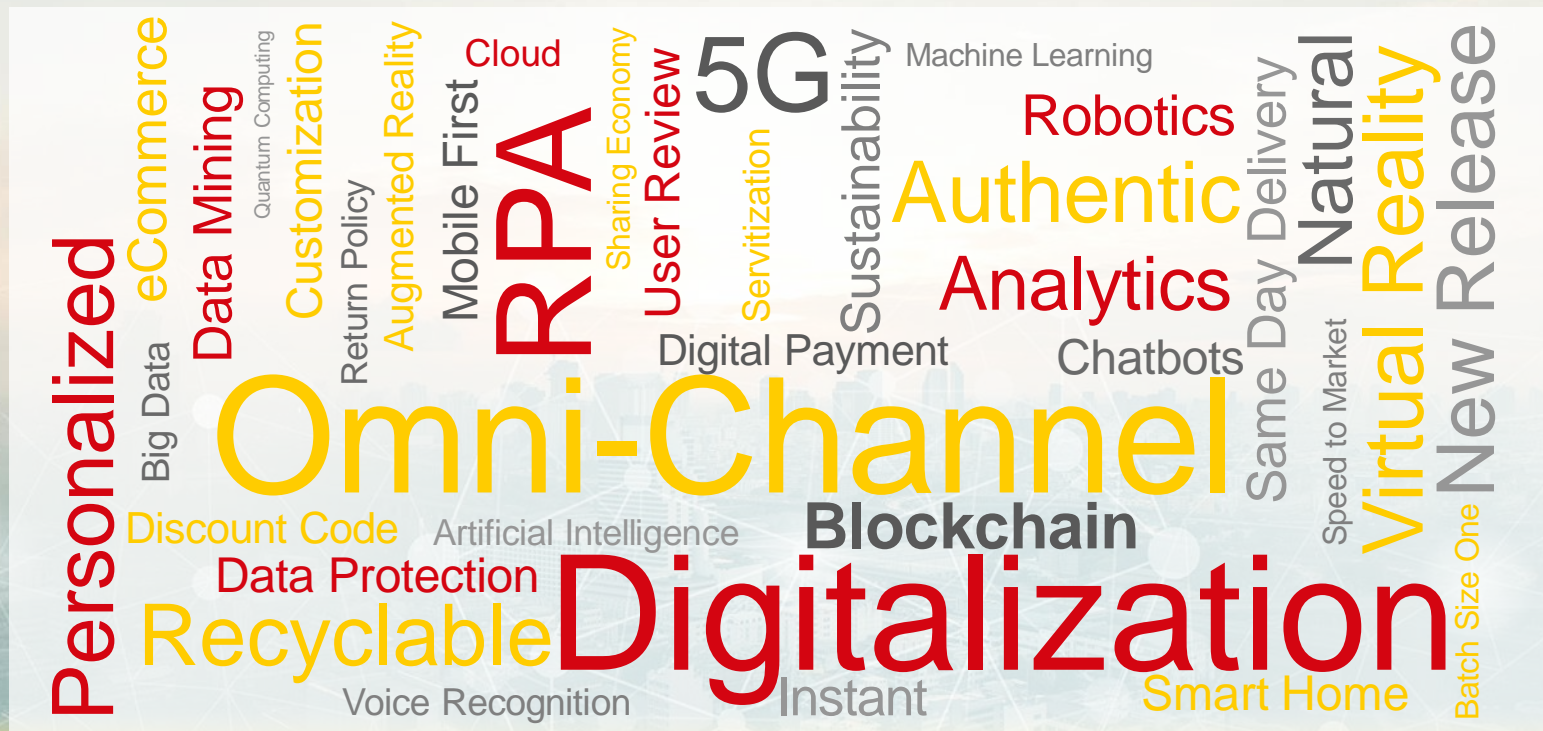


Agenda

- | | | |
|---|------------------|--|
| 1 | Presentation |  30 min |
| 2 | Breakout Session |  40 min |
| 3 | Wrap Up |  5 min |



Most searched Consumer Retail trends in 2018



Consumer expectations are changing to an **Anytime, Anywhere experience**

Digitalization



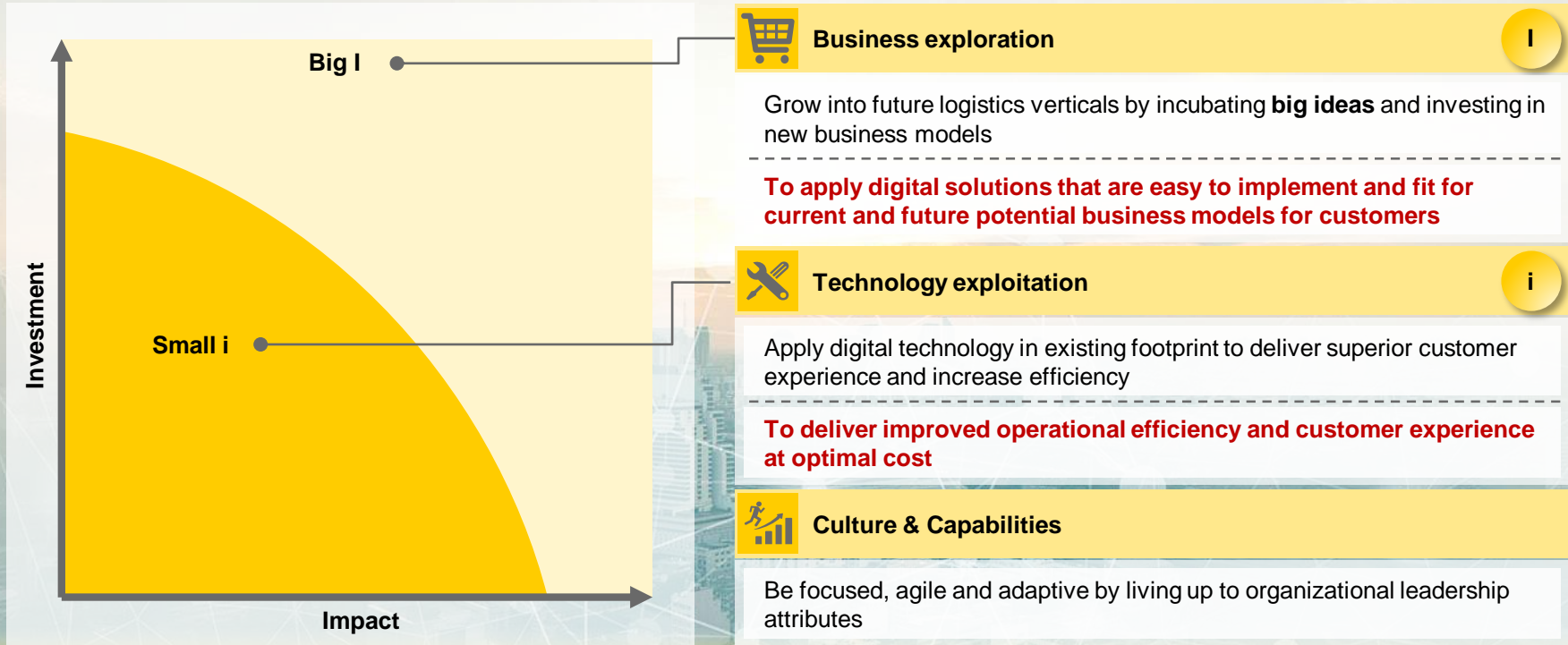
Omni-channel



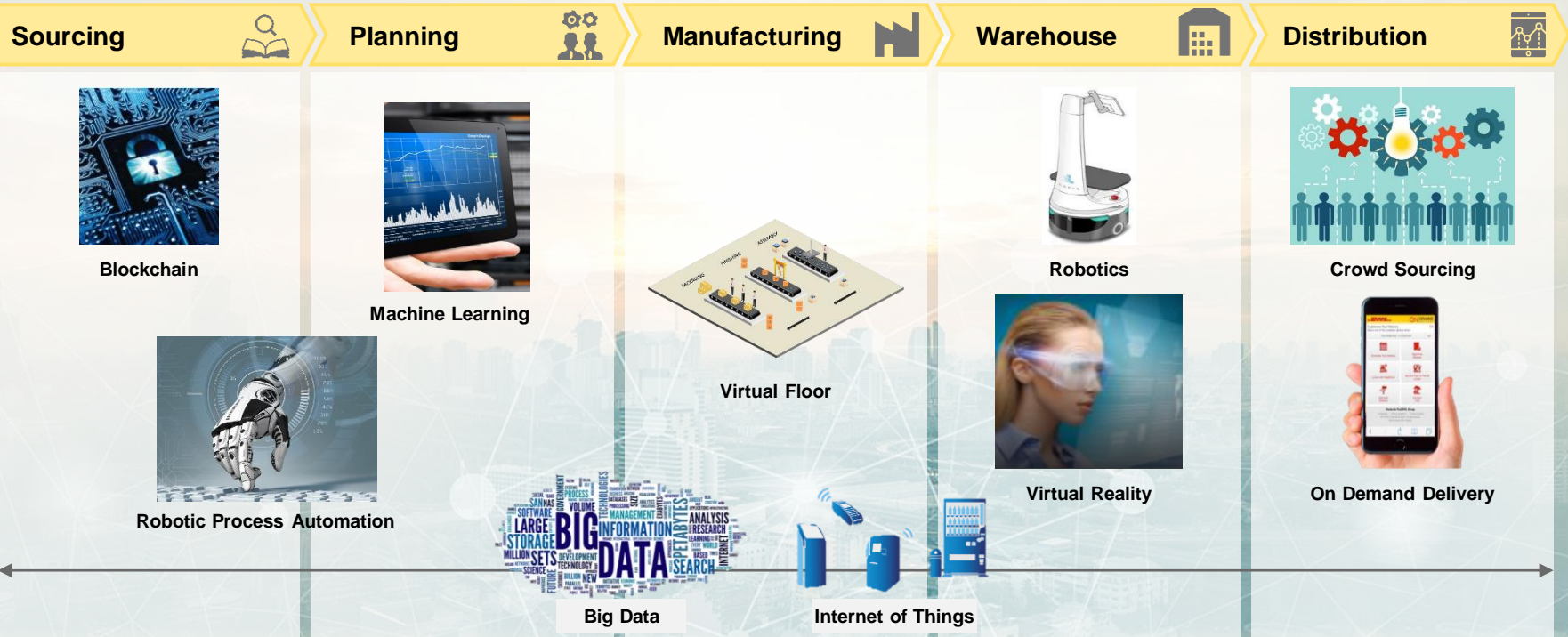
Digitalization



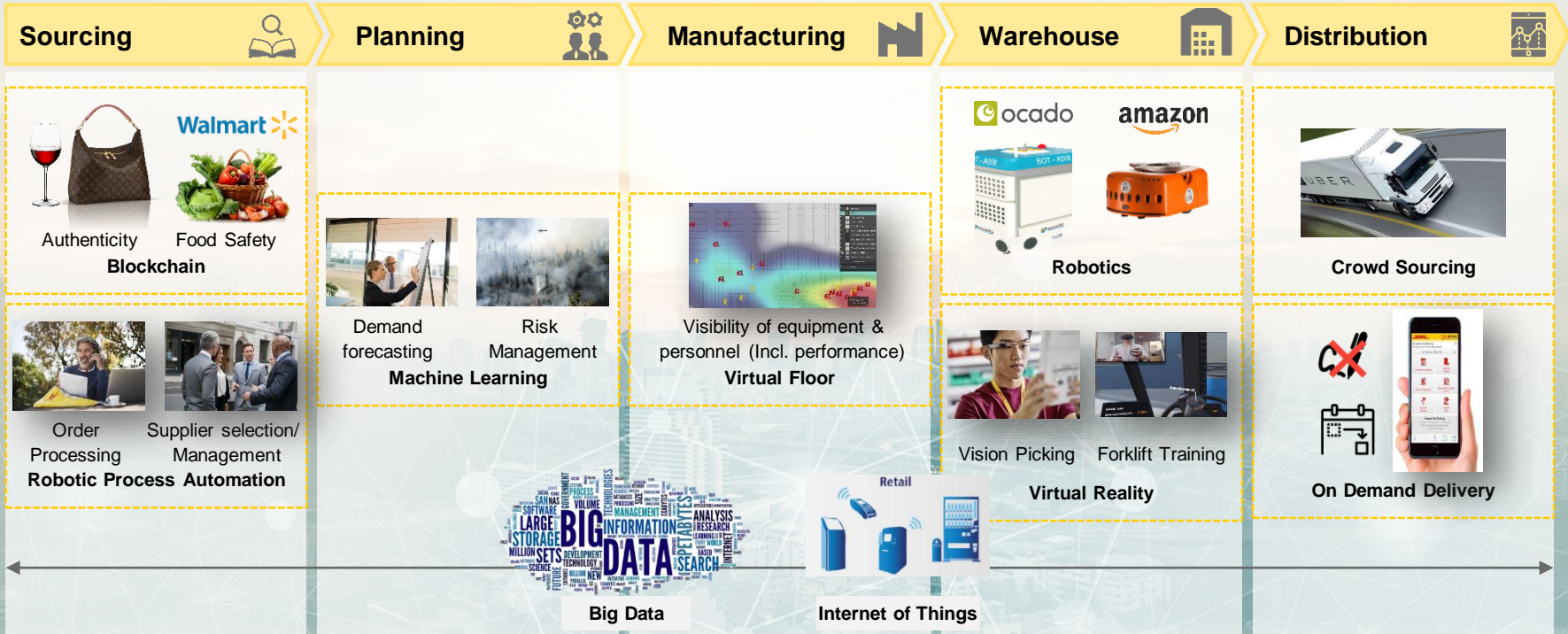
Digitalization is transforming business models of organizations...











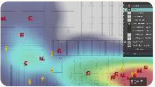





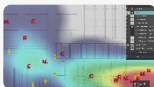










...enabled by Digitization



Examples of digitalization



What are the **pain points** in your organization?

Pain Points			Potential Solutions		
Planning & Forecasting			 Big Data	 Machine Learning	 Robotic Process Automation
Visibility			 Internet of Things	 Virtual Floor	 Blockchain
Operational Insight			 Big Data	 Internet of Things	 Virtual Floor
Operational Efficiency/ Labor Shortage			 Robotic Process Automation	 Virtual Reality	 Robotics
Customer Experience			 Robotics	 Crowd Sourcing	 On Demand Delivery

Rebecca Minkoff's **Connected Store** in New York City



Connected Store leverages IoT, AI and Augmented Reality to transform customer experience in offline retail stores

Comm. & Connectivity: IoT

Enabling Technology: AI, VR



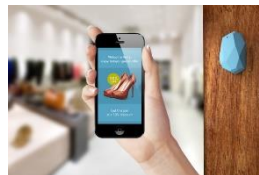
Customer Experience



Interactive Connected Displays



Augmented Reality Mirrors



Personalized promotions
in-store



In-store Navigation
and Information



Smart
Surfaces

REBECCAMINKOFF

RALPH LAUREN

TOPSHOP

Alibaba.com



Impact



Personalized
shopping
experience



Seamless
browsing



Increased sales
volumes

AI and Analytics Forecast to streamline inventory management & distribution

Data-Based Product: Analytics

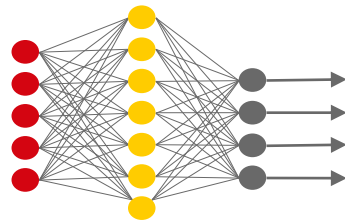
Enabling Technology: AI



Planning & Forecasting

>> Simple neural network

OTTO



● Input Layer

● Hidden Layer

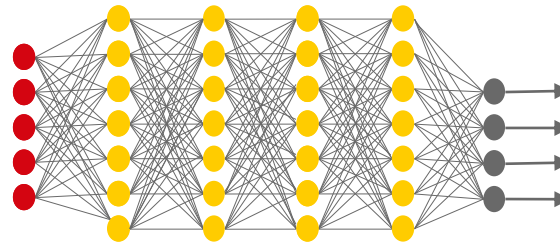
● Output Layer

Potential input layers

- POS data
- Promotions/events
- Social media feeds
- Weather
- Holidays



>> Deep learning neural network



>> Impact



90% accurate sales forecast for next 30 days



20% reduction in surplus stock



2 million less items returned each year

Robotics can perform a myriad of tasks at various stages of operations

Comm. & Connectivity: IoT

Enabling Technology: Robotics

**! Operational Efficiency/
Labor Shortage**



Stocktaking
(Walmart)



Retail Assistance
(Nestlé cafe outlets)



Checkout
(Lawson)



Co-Packing



Bar-coding, RFID
Tagging, & Labeling



Picking, Packing,
& Dispatch

Impact



**Round-the-
clock**
operations



Labor cost
reduction



Higher levels
of productivity

Ocado's (online supermarket) automated warehouse in Andover, UK



Speed & flexibility are improved via digitalization and innovation in **last mile**

Very fast delivery in metro areas

- Same day delivery
- Real-time tracking
- Supports small scale entrepreneurs & businesses



Other innovative pilots

- Trunk delivery
- Shop & pick-up at truck
- Delivery robots



Crowdsourcing

- Match shipper and transporter
- Bidding process (*grab a parcel on your way*)



On demand (flexible) delivery

- Re-schedule/hold for vacation
- Alternate options/address
- Real-time notifications



➤ Impact



Short delivery lead times



Fuss-free user experience

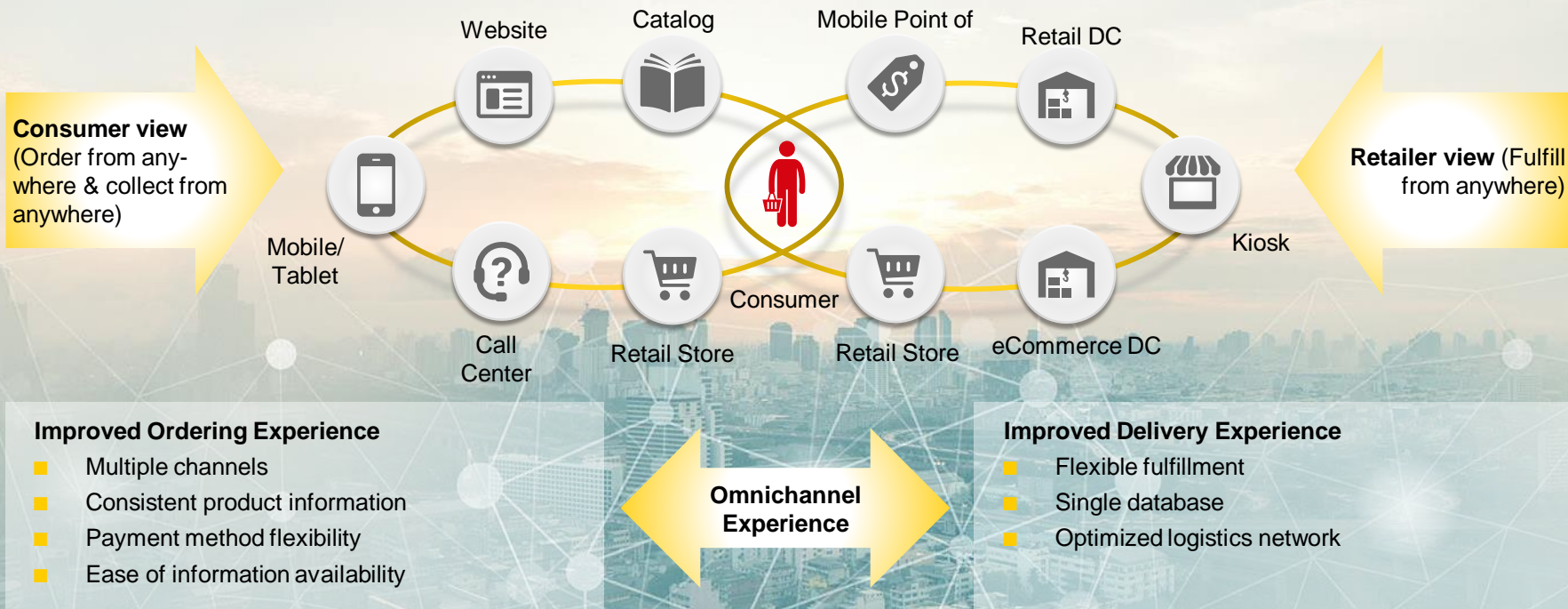


Increased **choice & autonomy** for customers

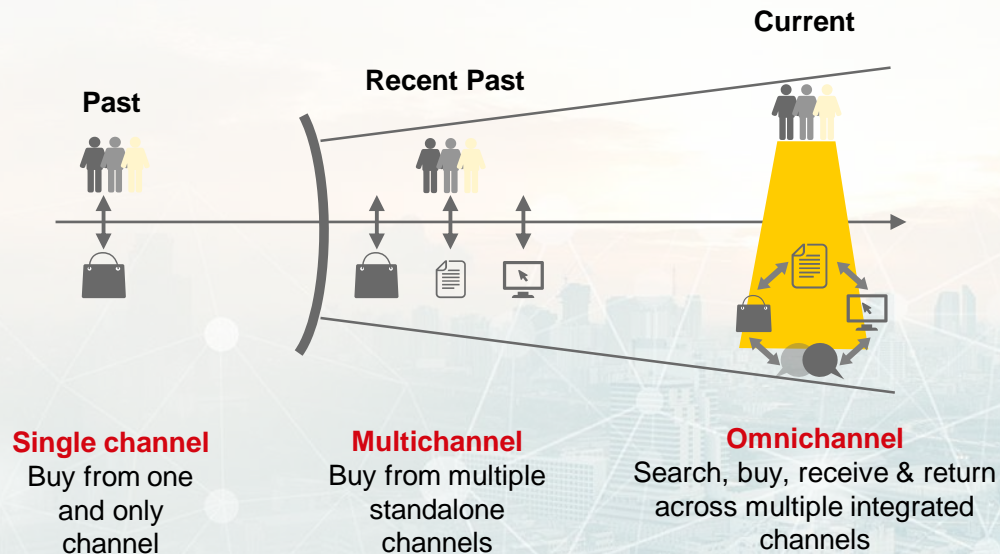
Omnichannel



Omni-channel aims to provide a seamless consumer experience across channels...



Omnichannel is no longer a choice... it is a necessity to retain and attract consumers and to upsell



Winners

By adopting Omnichannel:

- **9.5%** potential YoY revenue increase¹⁾
- **7.5%** lower cost per consumer contact²⁾
- **2X** more average spend per consumer

Source: DHL Consulting Analysis, 1) Internet Retailer; 2) UST Global, Omnichannel Retailing



Omnichannel applies to everyone: E-commerce and Brick & Mortar are merging

➤ Pure e-commerce players investing into B&M footprint



IndoChino stores



Amazon stores



Birchbox SoHo



Warby Parker showrooms

➤ B&M retailers are investing into omnichannel capabilities, leveraging stores



Visibility on in-store inventory



ZARA

BORTS / BOPIS¹⁾



In-store kiosks for online/
out-of-stock products



Walmart

Geo-messaging/ real-time
promotions

Source: DHL Consulting, Euromonitor, Forrester research, Asia Distribution and Retail, Accenture; 1) BORTS = Buy online return to store, BOPIS = Buy online pick up in-store

“Real store vs Online shopping” is not a question anymore... It is a **seamless and equally exciting** experience

Shop from SNS



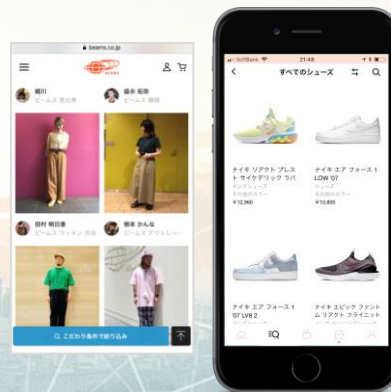
- ✓ High quality advertisements
- ✓ Influencer
- ✓ Price pop-up
- ✓ Instant shopping

Inventory Visibility



- ✓ Item availability in each store
- ✓ Information on closest stores
- ✓ Reserve items

Upgraded E-commerce Content & Experience



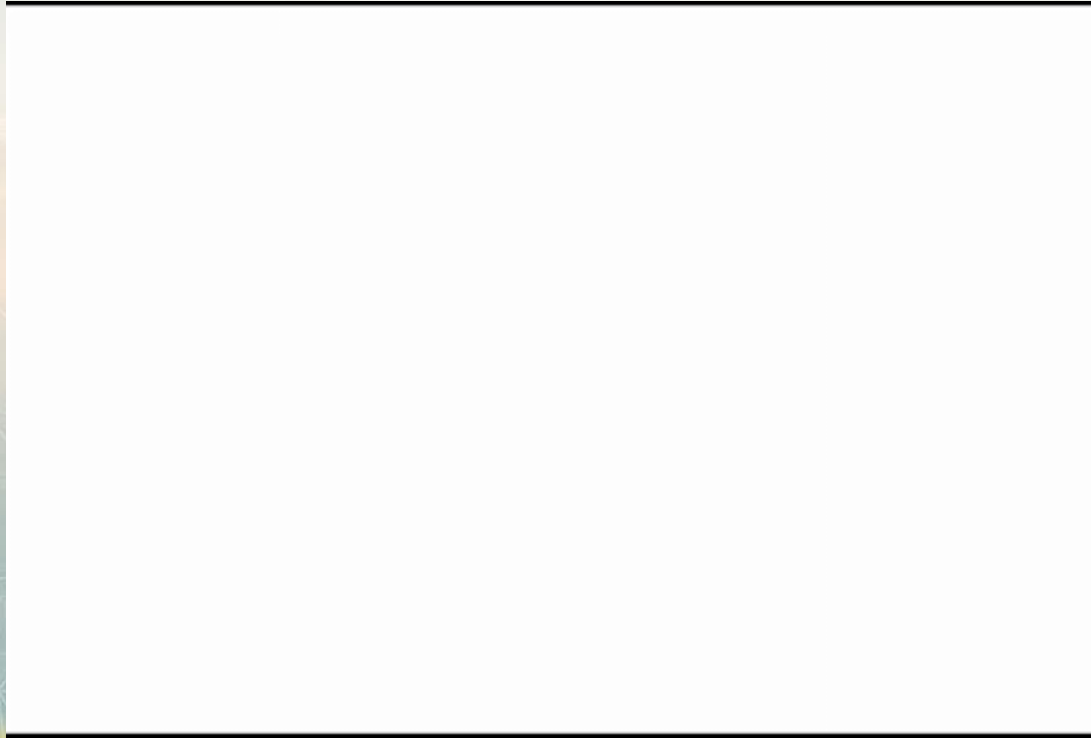
- ✓ Styling snapshots
- ✓ More pictures & videos
- ✓ Story
- ✓ Community events
- ✓ Royalty club / apps

New Concept Physical Stores



- ✓ GU digitalized stores
- ✓ Zara showroom
- ✓ Starbucks Reserve
- ✓ Life style, café
- ✓ Experience

Omni-channel stores integrates **both offline and online** shopping experience



Omni-Channel delivers exceptional **Customer Experience**



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Breakout Session



Select your topic!

Please split into 2 groups based on your selected topic of interest:



Omnichannel



Digitalization



Discussion Session



30 mins

Discussion on selected topic



Sharing



10 mins

Sharing of key highlights from each discussion

Agenda

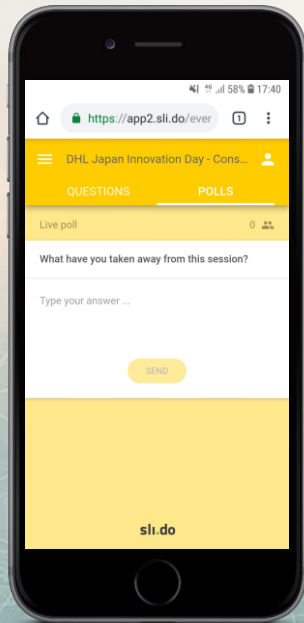


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What have you taken away from this session?



1

Open a browser on any laptop, tablet or phone

2

Go to **slido.com**

3

Enter the code **# DHLCNR**



Thank you for your participation!

