## Agenda

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<table>
<thead>
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</table>
| **1** | Presentation  
30 min |
| **2** | Breakout Session  
40 min |
| **3** | Wrap Up  
5 min |
Most searched trends in 2018

- Omni-Channel
- Personalized
- Recyclable
- Cloud
- Digital
- 5G
- Machine Learning
- Robotics
- Analytics
- RPA
- Authentic
- Servitization
- Sustainability
- Digital Payment
- Chatbots
- Blockchain
- Virtual Reality
- Natural
- New Release
- Speed to Market
- Batch Size One
- Smart Home
- Data Protection
- Voice Recognition
- Voice Recognition
- Artificial Intelligence
- Discount Code
- Digitalization
- Data Mining
- Augmented Reality
- Quantum Computing
- Augmented Reality
- Return Policy
- Mobile First
Consumer expectations are changing to an *Anytime, Anywhere experience*

**Digitalization**

**Omni-channel**
Digitalization
Digitalization is transforming business models of organizations…

- **Business exploration**
  - Grow into future logistics verticals by incubating big ideas and investing in new business models
  - To apply digital solutions that are easy to implement and fit for current and future potential business models for customers

- **Technology exploitation**
  - Apply digital technology in existing footprint to deliver superior customer experience and increase efficiency
  - To deliver improved operational efficiency and customer experience at optimal cost

- **Culture & Capabilities**
  - Be focused, agile and adaptive by living up to organizational leadership attributes
…enabled by Digitization

Sourcing
- Blockchain
- Robotic Process Automation

Planning
- Machine Learning

Manufacturing
- Virtual Floor

Warehouse
- Robotics
- Big Data
- Internet of Things

Distribution
- Crowd Sourcing
- Virtual Reality
- On Demand Delivery

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Examples of digitalization

**Sourcing**
- Authenticity
- Food Safety
- Blockchain
- Order Processing
- Supplier selection/Management
- Robotic Process Automation

**Planning**
- Demand forecasting
- Risk Management
- Machine Learning

**Manufacturing**
- Visibility of equipment & personnel (Incl. performance)
- Virtual Floor

**Warehouse**
- Robotics
- Vision Picking
- Forklift Training
- Virtual Reality

**Distribution**
- Crowd Sourcing
- On Demand Delivery
- Big Data
- Internet of Things
What are the **pain points** in your organization?

<table>
<thead>
<tr>
<th>Pain Points</th>
<th>Potential Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning &amp; Forecasting</td>
<td>Big Data, Machine Learning, Robotic Process Automation</td>
</tr>
<tr>
<td>Visibility</td>
<td>Internet of Things, Virtual Floor, Blockchain</td>
</tr>
<tr>
<td>Operational Insight</td>
<td>Big Data, Internet of Things, Virtual Floor</td>
</tr>
<tr>
<td>Operational Efficiency/ Labor Shortage</td>
<td>Robotic Process Automation, Virtual Reality, Robotics</td>
</tr>
<tr>
<td>Customer Experience</td>
<td>Robotics, Crowd Sourcing, On Demand Delivery</td>
</tr>
</tbody>
</table>
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.
AI and Analytics Forecast to streamline inventory management & distribution

Data-Based Product: Analytics

Enabling Technology: AI

Simple neural network

Deep learning neural network

Potential input layers

- POS data
- Promotions/events
- Social media feeds

- Weather
- Holidays

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**
- Stocktaking (Walmart)
- Co-Packing

**Enabling Technology: Robotics**
- Retail Assistance (Nestlé cafe outlets)
- Bar-coding, RFID Tagging, & Labeling
- Checkout (Lawson)
- Picking, Packing, & Dispatch

**Impact**
- Round-the-clock operations
- Labor cost reduction
- Higher levels of productivity

**Operational Efficiency/Labor Shortage**

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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

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

**Other innovative pilots**
- Trunk delivery
- Shop & pick-up at truck
- Delivery robots

**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

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

Improved Ordering Experience
- Multiple channels
- Consistent product information
- Payment method flexibility
- Ease of information availability

Improved Delivery Experience
- Flexible fulfillment
- Single database
- Optimized logistics network

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

By adopting Omnichannel:

- **9.5%** potential YoY revenue increase\(^1\)
- **7.5%** lower cost per consumer contact\(^2\)
- **2X** more average spend per consumer

**Single channel**
Buy from one and only channel

**Multichannel**
Buy from multiple standalone channels

**Omnichannel**
Search, buy, receive & return across multiple integrated channels

Winners

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

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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 omni-channel capabilities, leveraging stores

- Visibility on in-store inventory
- BORTS / BOPIS
- In-store kiosks for online/out-of-stock products
- 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

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Omni-channel stores integrates **both offline and online** shopping experience
Omni-Channel delivers exceptional Customer Experience
Agenda

1. Presentation
   - 30 min

2. Breakout Session
   - 40 min

3. Wrap Up
   - 5 min
Select your topic!

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

- Omnichannel
- Digitalization

**Discussion Session**

- Discussion on selected topic: 30 mins

**Sharing**

- Sharing of key highlights from each discussion: 10 mins
Agenda

1. Presentation 30 min
2. Breakout Session 40 min
3. Wrap Up 5 min
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!