REDEFINING CUSTOMER VALUE

DHL TECHNOLOGY WEBINAR
Technology webinar sessions

**GOOD TO KNOW**

- **Today’s webinar is scheduled for 45 min incl. Q&A**
- **All lines will be muted**
- **Questions for the speakers can be submitted via the Q&A screen at any time**
- **This webinar will be recorded. Recordings and documents will be made available for download**
- **Webinar Best Experience**
  - Please double click on the presentation screen in order to optimize your view

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**June 9**
SUPPLY CHAINS IN TIMES OF COVID 19

**June 30**
REDEFINING CUSTOMER VALUE

**September 9**
DIGITAL IS THE NEW NORMAL

**October 6**
TECHNOLOGY IN CONTEXT

**November 4**
DARING THE FUTURE
Redefining Customer Value

SPEAKERS

Angelos Orfanos (Host)
SVP Technology Americas
DHL Customer Solutions & Innovation

Derek Gominger
Director of Global eCommerce Strategy, Lenovo

Carsten Lützenkirchen
SVP Commercial Operations
DHL Customer Solutions & Innovation

Claire Brouquet
VP Global Account
DHL Supply Chain

AGENDA

INTRO
Redefining Customer Value – owning consumer experience

A
Lenovo – UX driven eCommerce strategy

B
Rethinking logistics – shaping consumer-centric fulfillment

C
Q&A Session
A decade of trend shift happened in just a few weeks time

- Electronics has always been a leading category in online sales
- Key drivers are selection, speed, safety, returns, and convenience
- COVID-19 lockdown induced next level of digital adoption
- People are forming new habits in buying behaviors - lasting (?)
Key drivers for Direct-to-Consumer strategies

**DISTRIBUTION SUPPLY CHAINS**

**TRADITIONAL**
- Manufacturer
- Wholesalers
- Retailers
- Final Consumers

**DIRECT TO CONSUMER**
- Manufacturer
- Sell products via eCommerce
- Final Consumers

Companies expand distribution strategies with direct to consumer channels

- Address **new consumer** groups
- Capture **revenue growth**
- Balance **power of retailers**
- Improve **margins**
- Understand **consumer preferences**
- Access **customer data**
- Control **brand** and **user experience**
- Own **customer relationship**
Lenovo – UX driven eCommerce Strategy

Derek Gominger
Director of Global eCommerce Strategy, Lenovo

- How does Lenovo address **changing expectations** and **buying behaviors** of consumers?
- How is **user experience** reflected in the **go to market approach** and what does it mean for **supply chains**?
B Rethinking Logistics – entering the eCommerce eco-system

What is to be considered when expanding towards eCommerce and direct to consumer channels?

Carsten Lützenkirchen
SVP Commercial Operations
DHL Customer Solutions & Innovation

Order Mgmt. System
ERP
WMS
Shipping Software
Pure Online E-Tailer
Brands & Retailers
Omni Channel
Social Selling
Product Reviews & Advice
Social Media
Marketplace Logistics
Marketplace Sellers
Webshop Software
E-Commerce Marketplaces
3PVs
End Consumer

REDEFINING CUSTOMER VALUE | DHL Technology Webinar | 30 June 2020
Rethinking Logistics – Finding the right set up for a direct to consumer model

ConSUMER PREFERENCES ON DELIVERIES

61% Say a **positive delivery experience** incentivizes them to shop with an e-tailer again

62% Of consumers expect **free delivery** for everyday purchases

54% Say **clear, accurate tracking** is an important consideration for the majority of their purchases

77% Are conscious of, or care deeply about the **environment** when thinking of deliveries

58% Chose on online provider over another because they provided **more delivery options**

86% of Retailers have seen **increase in sales** by adding multiple options

Source: Temando, 800 retailers asked

Source: 2018 State of eCommerce Delivery – Metapack Consumer Research Report
Rethinking Logistics – Options to fulfill customer requirements

**CENTRAL FULFILLMENT CENTER**
- Full flexible SKU range
- Full service flexibility
- Use of existing WMS

**FULFILL FROM STORE**
- Leverage existing distributed inventory
- Increase activity levels in quiet hours
- Improve store ROI

**WAREHOUSING CLOUD**
- Low resource dedication
- Quick Scalability
- Usage based pricing
- On demand available
Rethinking Logistics - European Fulfillment Network

Distributed fulfillment model for **next-day delivery** in all **key European markets**

- Standardized, multi-user fulfillment
- Quick, cost-effective implementation
- Carrier agnostic last-mile delivery and returns
- Transparency and end-to-end visibility
- Modular and scalable, with pay-per-use commercials
- Environmentally friendly with lower carbon footprint

**Claire Brouquet**
VP Global Account
DHL Supply Chain

30 EFN Centers
High Demand Areas
Rethinking Logistics – Leveraging distributed fulfillment model

• An established technology company shifted from a centralized fulfillment strategy to 3 distributed network nodes, significantly reducing total logistics costs

• A premium home appliances company hedged Brexit risks and improved service levels by on-shoring E-fulfillment to their UK customers

• A consumer electronics company looking to expand its D2C fulfillment capacity in line with its ambitious growth targets increased its fulfillment network from 2 to 4, allowing for improved service and cost-to-serve while managing cash-flow focus through inventory optimisation
Rethinking Logistics – Shaping consumer-centric fulfillment

• Stronger **control on brand and consumer experience** instead of using giants marketplaces

• **Fast delivery times** with **multiple delivery options** enabled by distributed network nodes near high demand areas

• Access **agile & flexible network** enabling rapid sales expansion and reduced fixed & transport costs

• Improve **supply chain resilience** by switching to different network nodes to keep sales running

• **Avoid disruption to sales channels** when E-com giants and marketplaces decide to prioritize orders differently
Redefining Customer Value – Q&A Session

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Redefining Customer Value

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CLOSING

Slides and recording are available in 1 week

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Upcoming webinar – register open in August

DIGITAL IS THE NEW NORMAL

Applied Analytics - leveraging data science to uncover and generate value - September 9

DHL Webinar website
REDEFINING CUSTOMER VALUE

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THANK YOU FOR YOUR ATTENDANCE