Omnichannel

NXT

May 30th 2017

OUR EXPERIENCE

We work with retail and omnichannel-related problems from all sides, from corporate strategy to IT-implementation

Konsern- og BU-strategi

Netthandel (pure-players)

M&A (screening og kommersiell due diligence)

Omnikanalstrategi

IT-implementering av netthandelsplattform

Logistikk og supply chain

Innovasjon

Commercial Excellence, Pricing

MEASURING OMNICHANNEL MATURITY ACCROSS COUNTRIES & SECTORS
Together with our partner Fit-for-Commerce PA conducted an extensive assessment

OMNI-CHANNEL MATURITY INDEX

- 300 objective criteria
- 80 retailers across Europe
- 14 retail categories represented
- Based on mystery shopping and analysis
- Covering functionality within:
    1) E-commerce
    2) Omnichannel
    3) In-store

RETAILERS WERE BENCHMARKED ACCROSS 300 CRITERIA IN 14 CATEGORIES

Covering e-commerce functionality, online, in-store & mobile omni-channel capabilities

ONLINE EXPERIENCE

The customers experience with online based tools which supports the customer journey.

- ACCOUNT & PREFERENCES
- CATEGORY & COLLECTION
- PRODUCT DETAILS
- NAVIGATION
- MINI-CART, CART, CHECKOUT
- CUSTOMER SERVICE

INTEGRATION

The “omni” in omnichannel where a user can interact seamlessly between the channels.

- SERVICES
- MOBILE
- UNIVERSAL
- GIFT/ CERTIFICATE CARD

IN-STORE EXPERIENCE

The support of digital tools in the in-store experience.

- EXPERIENCE
- SHOPPING TOOLS
- COLLETERAL
- SIGNAGE

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ONLINE EXPERIENCE

The customers experience with online based tools which supports the customer journey.

ACCOUNT & PREFERENCES

Customers ability to manage preferences: payment method, re-orders, wish-lists.

CATEGORY & COLLECTION

Website user experience category and sorting options, customer ratings, etc.

PRODUCT DETAILS

Access to relevant info, rating/comment and social media.

NAVIGATION

User Experience of navigation, search, autocorrect, quick-view.

MINI-CART, CART, CHECKOUT

Information and possibility for promo codes, store cart, inventory levels and cost breakdown.

CUSTOMER SERVICE

Contact alternatives, seamless integration and at the right places

INTEGRATION

The "omni" in omnichannel where a user can interact seamlessly between the channels.

SERVICES

Flexibility across channels (click and collect, shipped home, etc.)

MOBILE

Mobile user experience on apps, website(s) and available functionality.

UNIVERSAL

Maturity with regard to country selectors (language, shipping, currency), e-mail pop-ups and social media.

GIFT/ CERTIFICATE CARD

Physical & electronic gift cards and functionality for checking balance and redeeming.

IN-STORE EXPERIENCE

The support of digital tools in the in-store experience.

EXPERIENCE

Loyalty program characteristic: incentive, purchase history, returning goods.

SHOPPING TOOLS

In store functionality such as QR codes and interactive displays

COLLETERAL

Store receipt over email, reference to online channel, reference to online survey coupons etc.

SIGNAGE

Visible omni-channel signage / information

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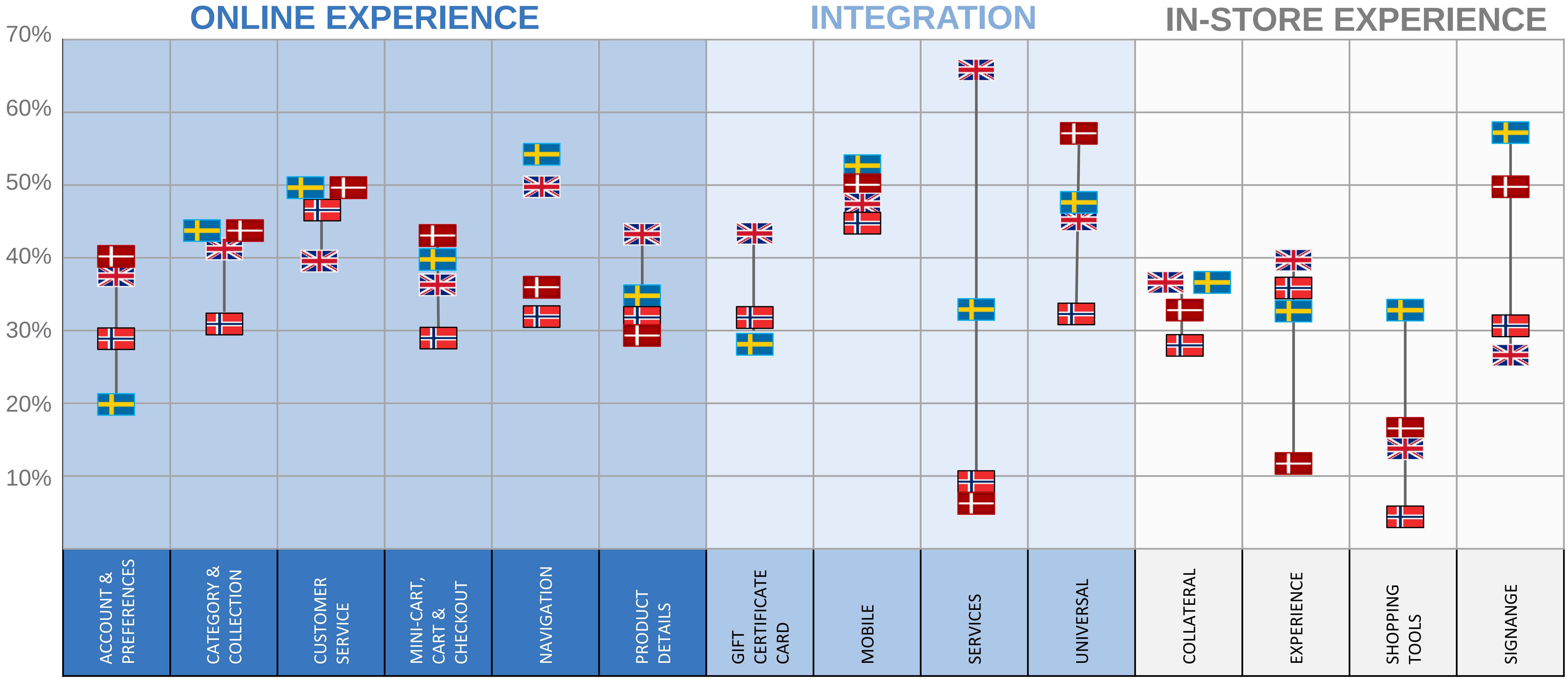
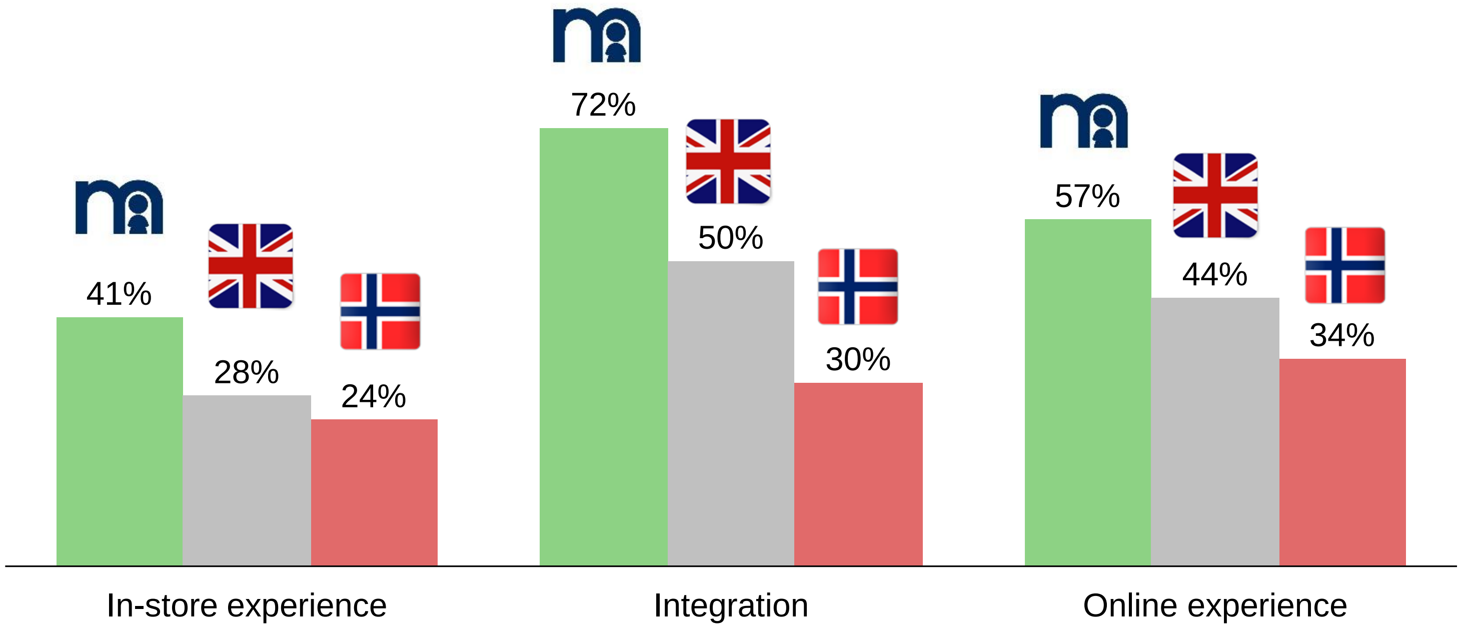


FINDINGS: NORWAY IS LAGGING BEHIND

Norway compared to the best omnichannel retailers in Europe and the UK – clear potential to improve

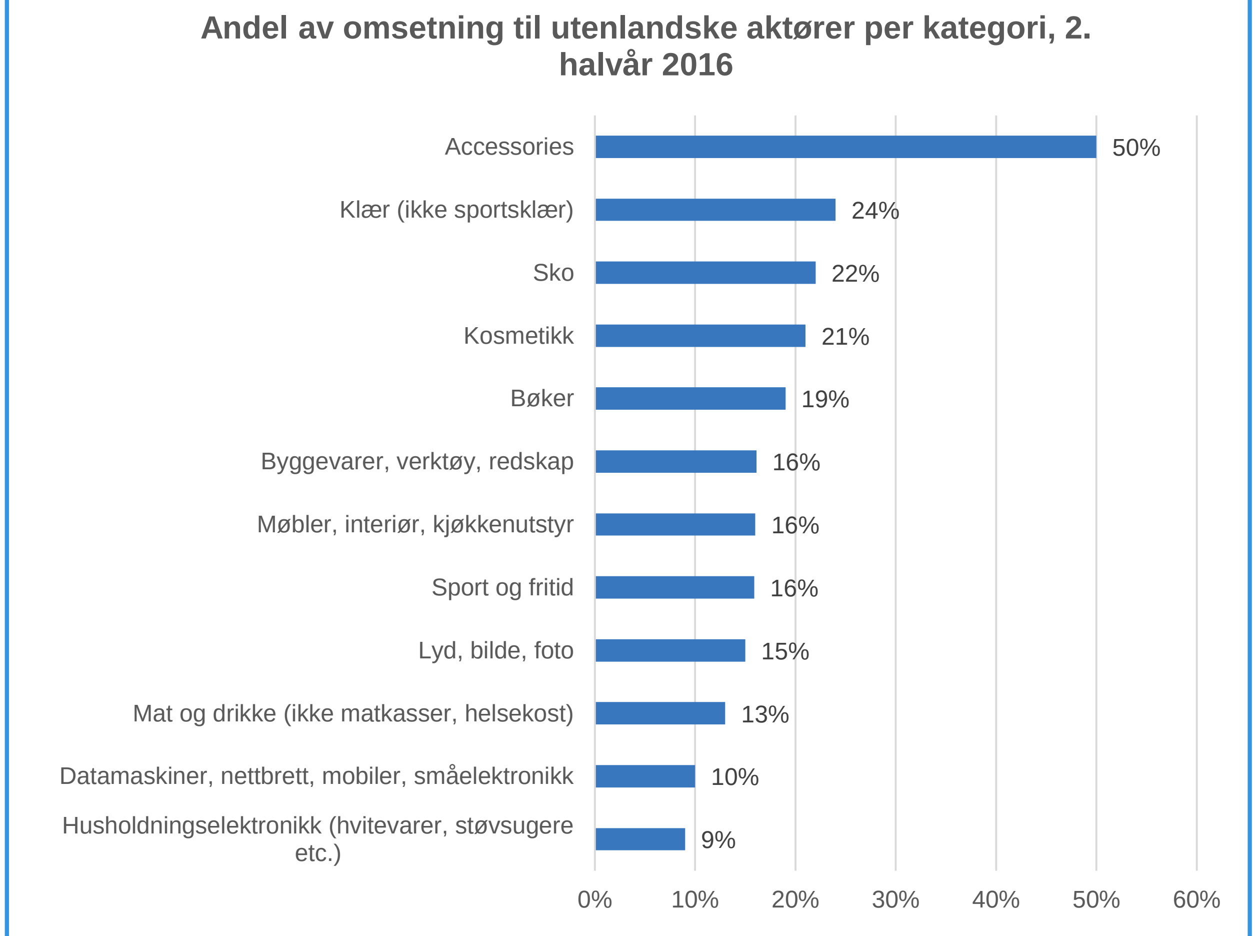
BEST IN CLASS VS. NORWAY

Integration (“the omni in omnichannel”) is where Mothercare gains the most compared to Norwegian players



John Lewis’ ‘bricks and clicks’ strategy has created a £1.4 billion online retail business (over 30% of revenue)

For online shopping in Norway, 1/3 of the revenue goes to retailers abroad



Kilde: e-Handelsrapporten 2017

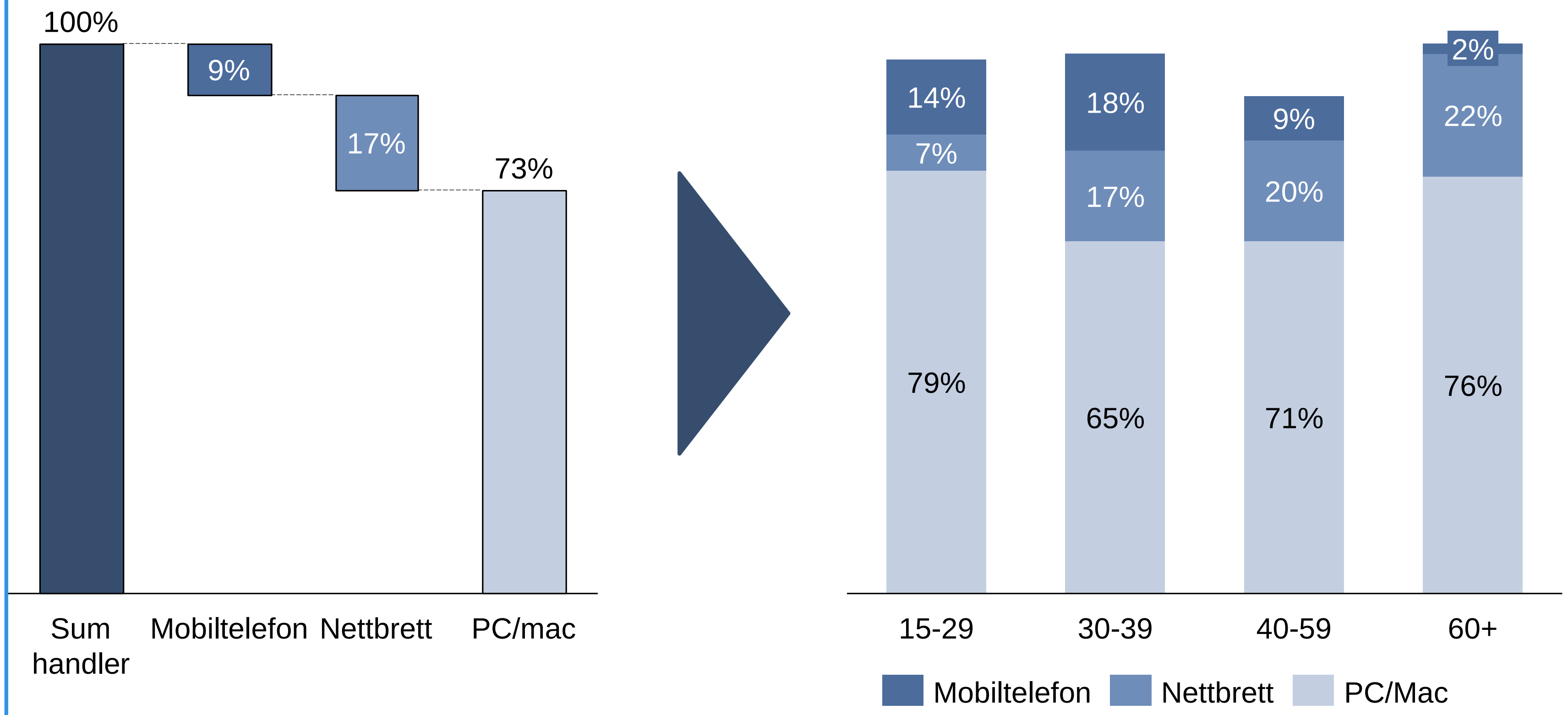
How much and who (for 2nd half of 2016)

- Men:
  - 11 billion NOKs
  - Primarily within the categories «*Datamaskiner*», «*mobiler og småelektronikk*», and «*Sport og fritid*»

- Women:
  - 8 billion NOKs
  - Primarily within the category «*Klær*»

- In particular men and younger consumers between 25 and 44 years old

Younger shoppers increasingly use their mobile phone

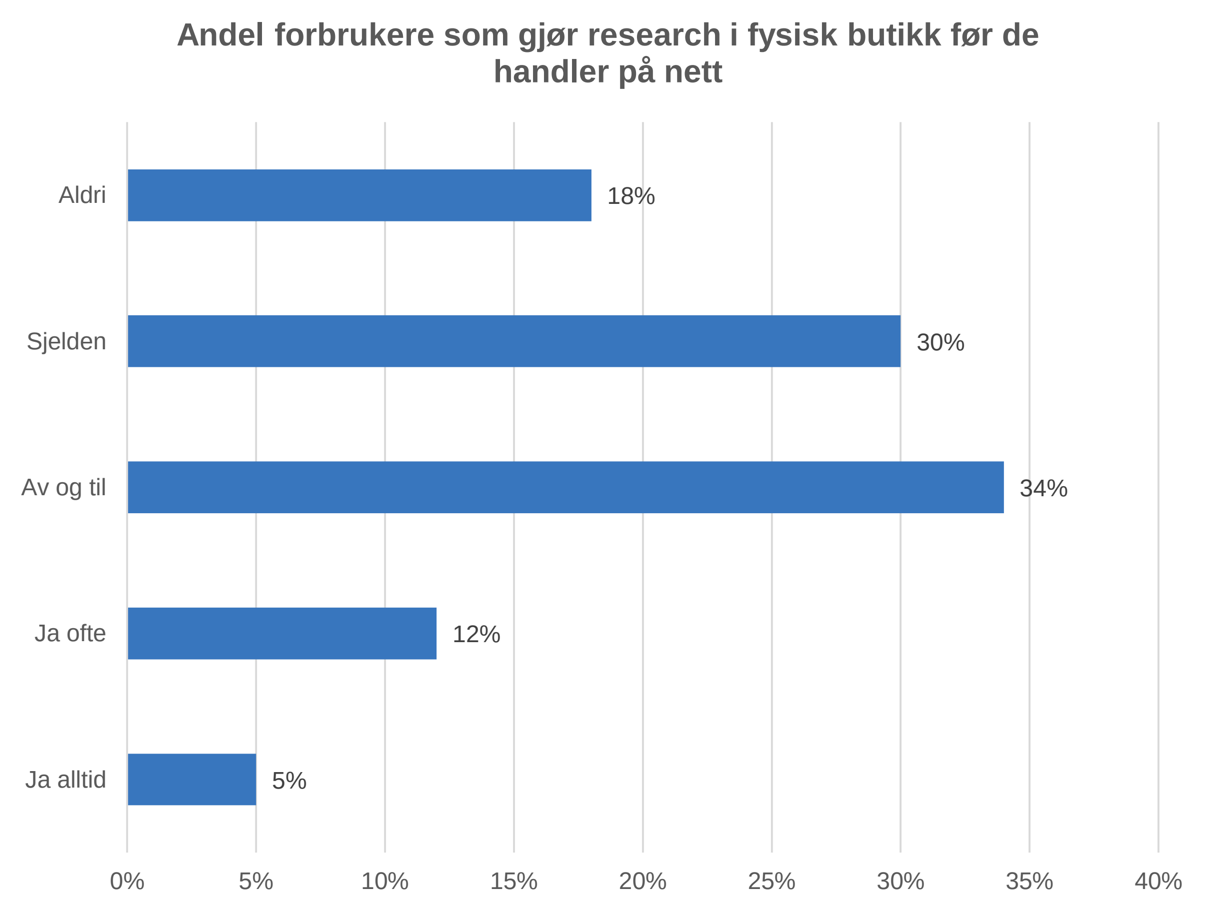


Prosentfordeling andel handler per kanal, samt andel handler per kanal per aldersguppe. Kategori «vet ikke» er fjernet.

Kilde: e-Handelsrapporten 2017

- The majority of online purchases are still carried out using PC/Mac
- However, the mobile is playing an increasingly important part of the pre-purchase activities, e.g.
  - Research about the product
  - Advertisement through social media
- Millennials and Generation Z are the ones using the mobile phone the most

Show- and webrooming is an important part of the shopping journey



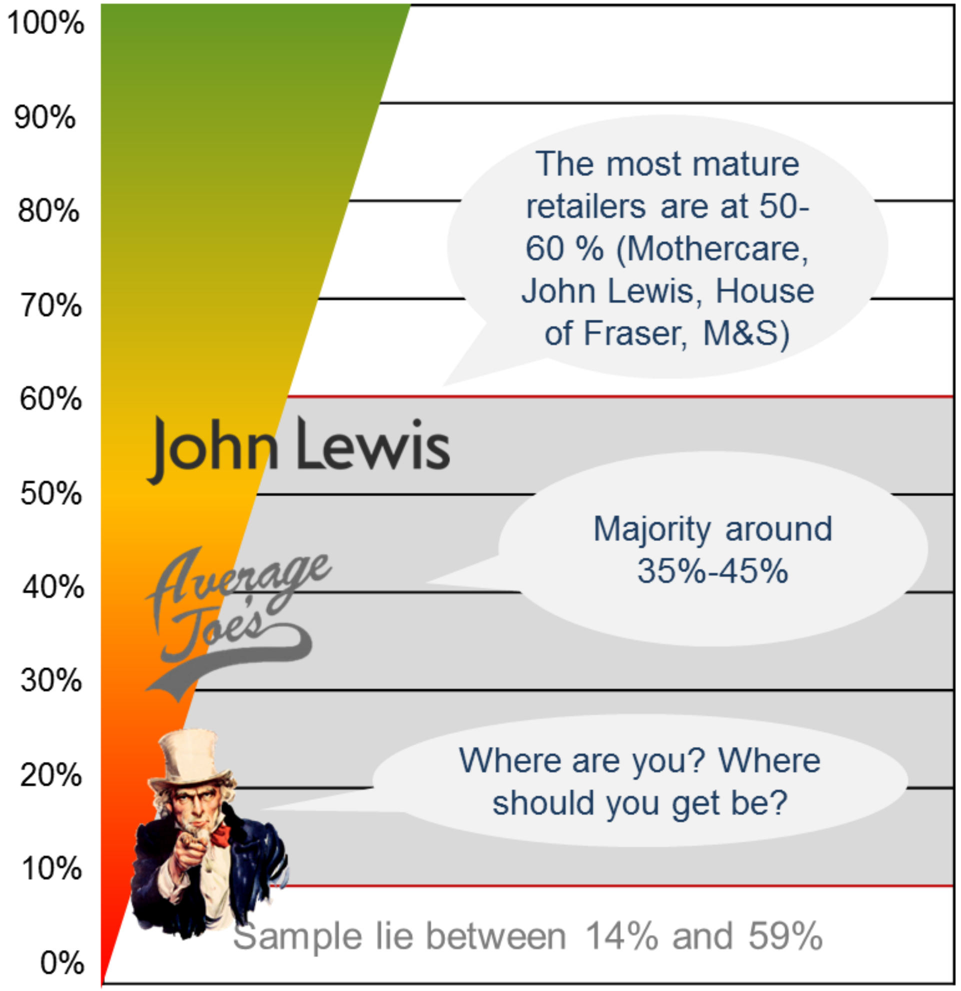
Kilde: e-Handelsrapporten 2017

- The number of consumers that utilise showrooming has dropped from 17% to 14% in Sweden, indicating a bump in consumer trust wrt online shopping
- Webrooming takes place due to shortcomings in delivering on the omnichannel promise – consumers research the product online, but shop in a physical store due to:
  - Long delivery time
  - The return policy/process is too time consuming cumbersome

How do you play the catch-up game?

SUCCESSFUL INTERNATIONAL RETAILERS ARE AT 50-60% MATURITY LEVEL

No need for everyone to get there – your goal depends on many things, fix the most important first



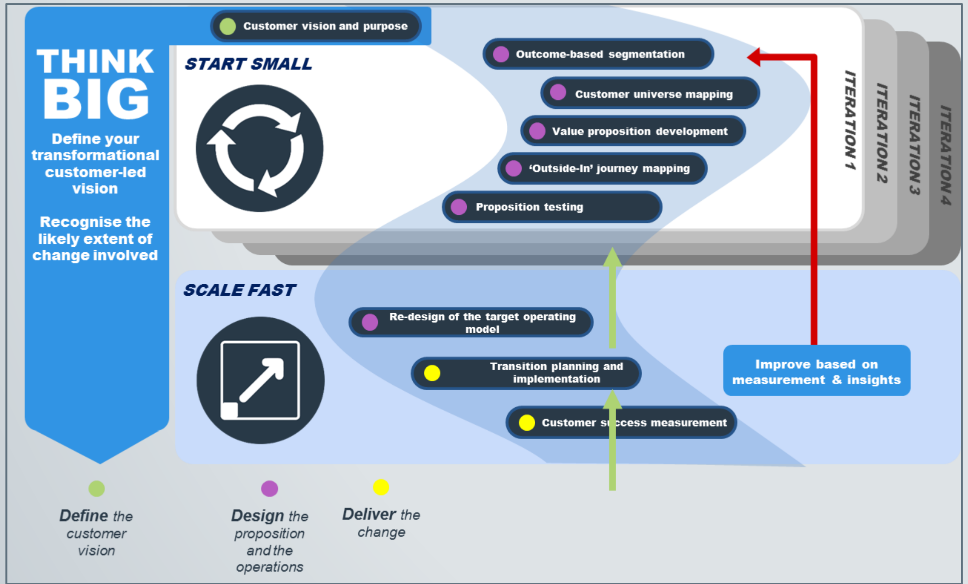
Not everyone needs to – nor should – be “a John Lewis”:

- What do customers expect based on your category?
- What should a company of your size expect of itself?
- How does “best-in-class omnichannel” fit among your strategic priorities?
- What is your expected ROI on each investment? Where in your “value tree” does the investment create value and impact costs, and by how much?

- **To match the best:**
  - Good product comparisons, filtered search, sorting functionality
  - Easy registration process, e-wallets, creating and sharing wish-lists
  - Signs directing to online store, highlighting channel flexibility
  - User friendly cart & checkout functionality
  - THINK BIG, START SMALL and SCALE FAST

- **To match the average Joe:**
  - Offer basic omnichannel services: Pick-up in-store, reserve online, buy in-store and deliver home, buy in-store and pick-up at other stores
  - In-store tools (PC/tablet-kiosk, interactive displays, QR codes)
  - Adjust operating model
  - Attract and build new capabilities

CONSULTING
TECHNOLOGY
INNOVATION



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