



Ετήσια Τακτική Γενική Συνέλευση ECR Hellas

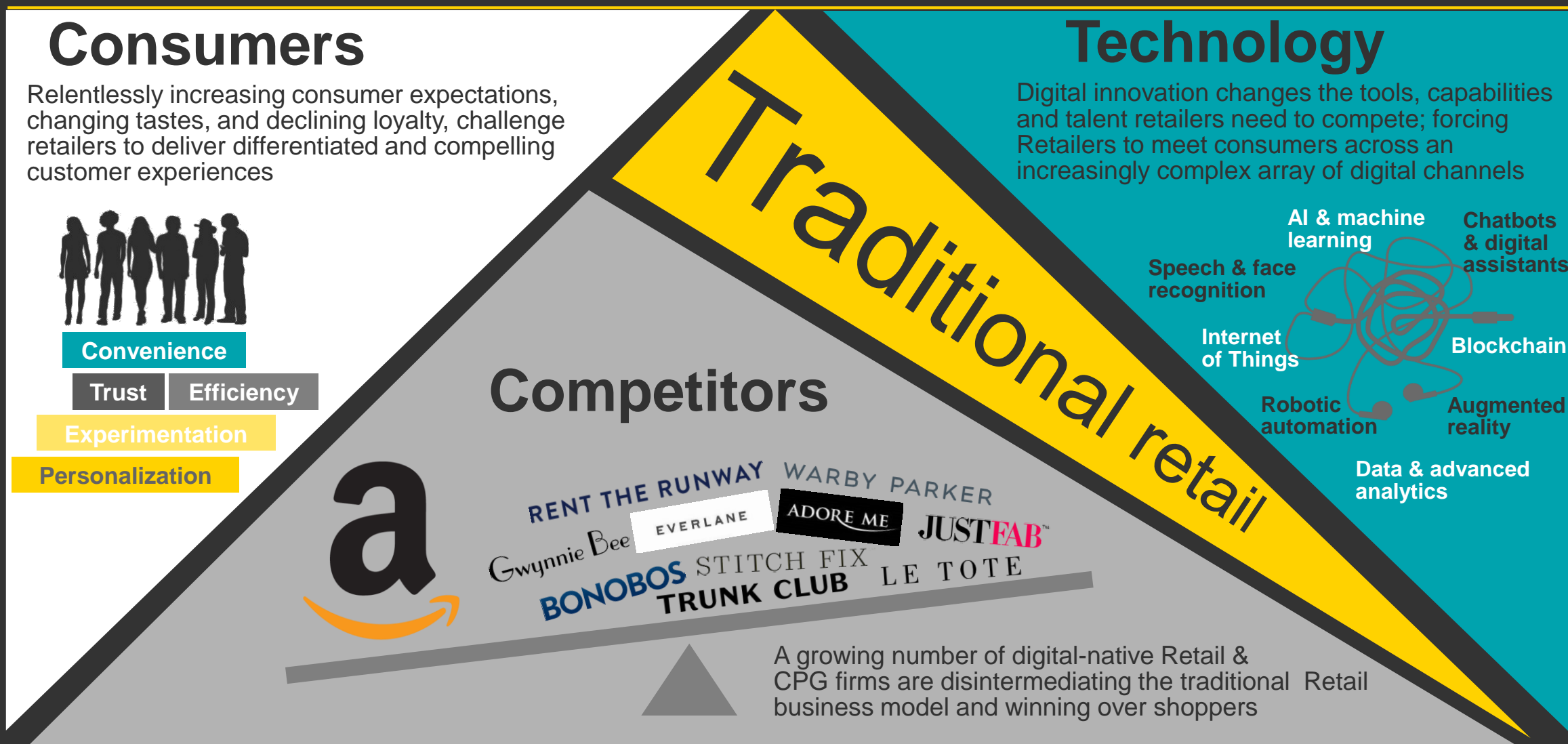
## **Trends & Challenges in a fast changing Retail environment**

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28 Φεβρουαρίου 2018

# Three key sources of disruption in the Retail environment

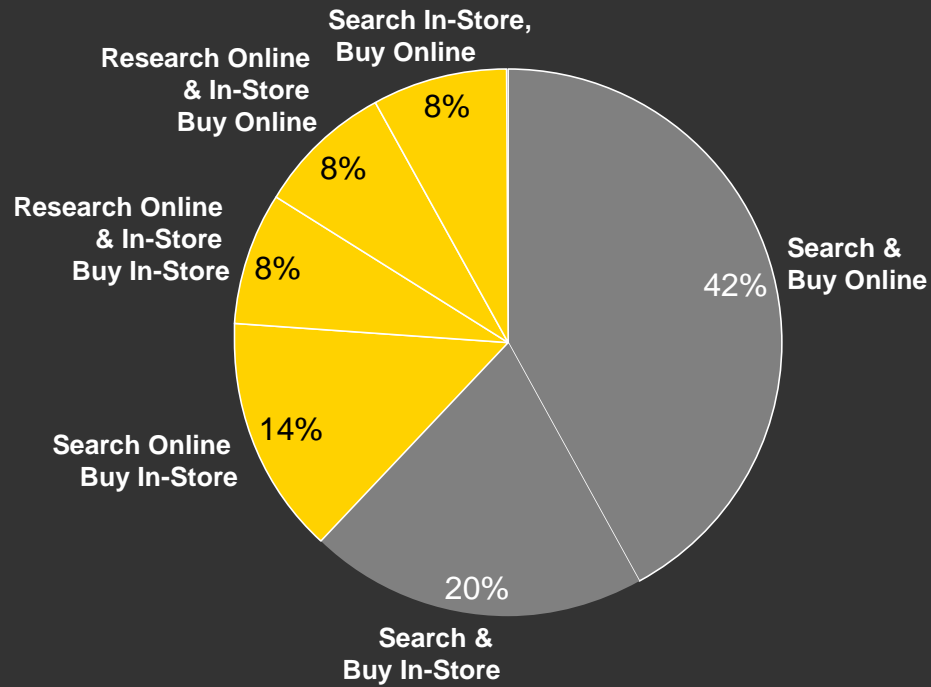


# What consumers want from brands, how they shop and how they interact with brands is changing

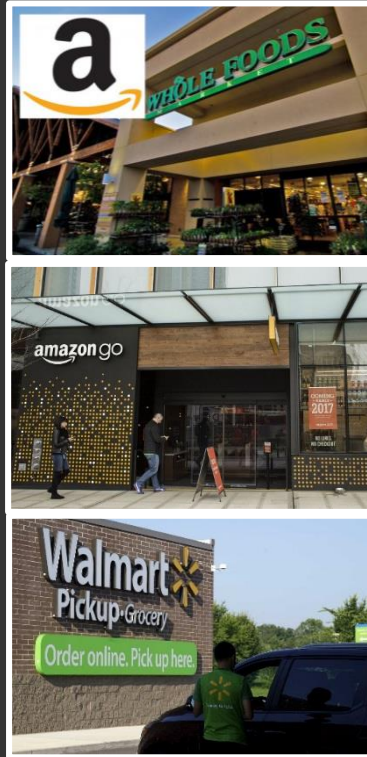
Seeking:	<div>LATTE*</div> <div></div>	<div>Value for money</div> <div></div>	<div>Personalization</div> <div></div>	<div>Experimentation</div> <div></div>
Shopping:	<div>Anytime, anywhere, anyhow</div> <div></div>	<div>Channel promiscuity</div> <div></div>	<div>More frequent, smaller baskets</div> <div></div>	<div>Experience</div> <div></div>
Interacting:	<div>Social</div> <div></div>	<div>Informed engagement</div> <div></div>	<div>Trust</div> <div></div>	<div>Better-for-you confusion</div> <div></div>

*\*Local Authentic Traceable Transparent Ethical*

# The limits between physical and digital become blurred...



**38%** of consumers leverage multiple channels in their purchasing journey



- Bricks and mortar stores will continue to be the dominant contributor of sales globally...

**93%**

of revenues are via bricks and mortar stores in 2015



Source : EY CGF omni-channel supply chain survey

**81%**

By 2020



**74%** say store-based sales will continue to dominate in developed markets in the next five years

...but omni-channel is where the growth is  
2014-2019 retail sales by channel CAGR %



Source: Euromonitor

# Fulfilment, Fulfilment, fulfilment...

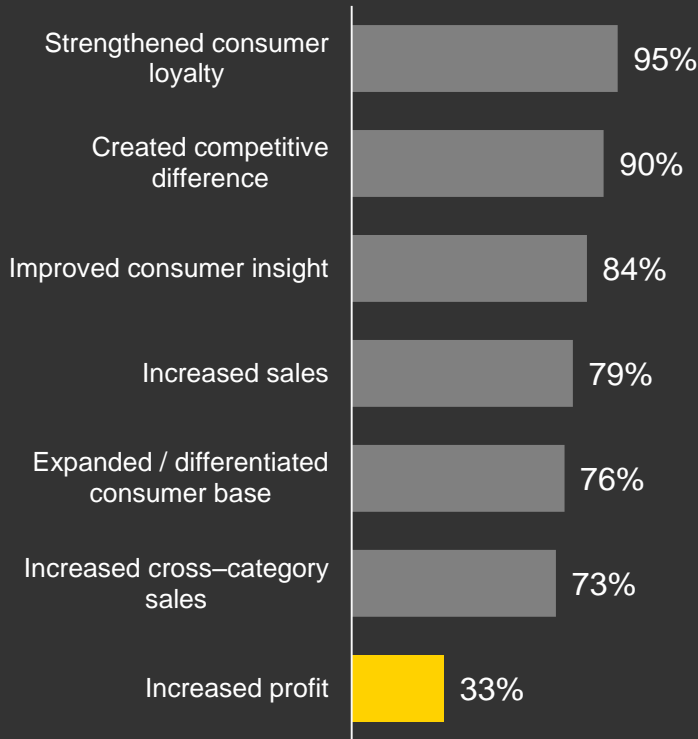
► As omni-channel matures, focus shifts from growth to efficiency

Omni-channel shoppers  
spend more...

Average annual spend of online and  
store customers vs. store only

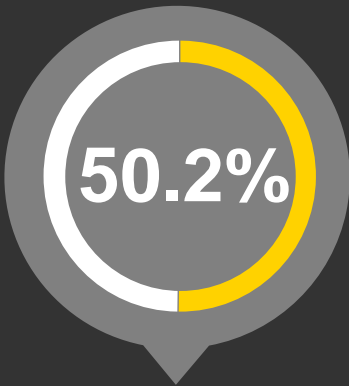
>2x

...but are not seen as profit drivers...

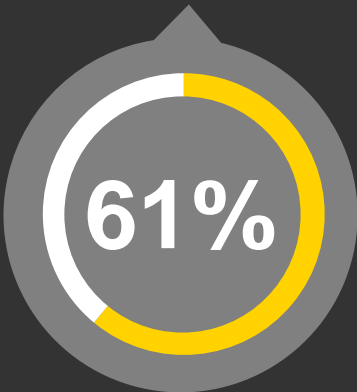


Source : Retailer annual reports; EY CGF omni-channel supply chain survey

...creating challenges for the  
broader Value Chain



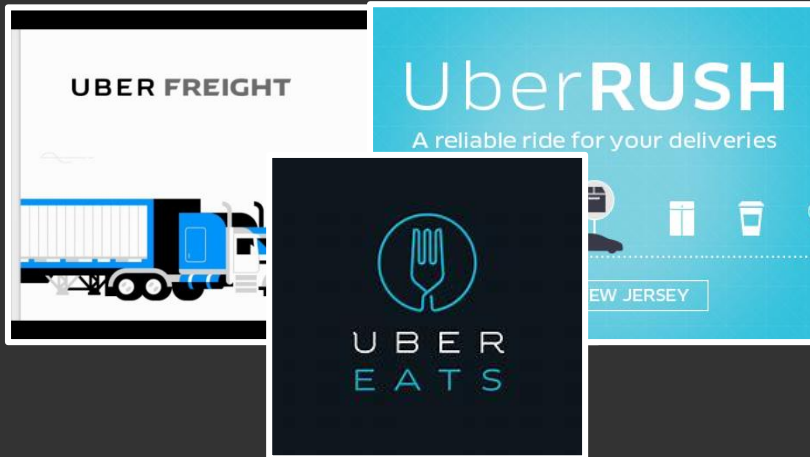
Delivery as a percentage  
of the total cost to fulfil:



say there is limited or  
little visibility of costs at  
a functional level`

Source: IGD Online Order Fulfilment survey

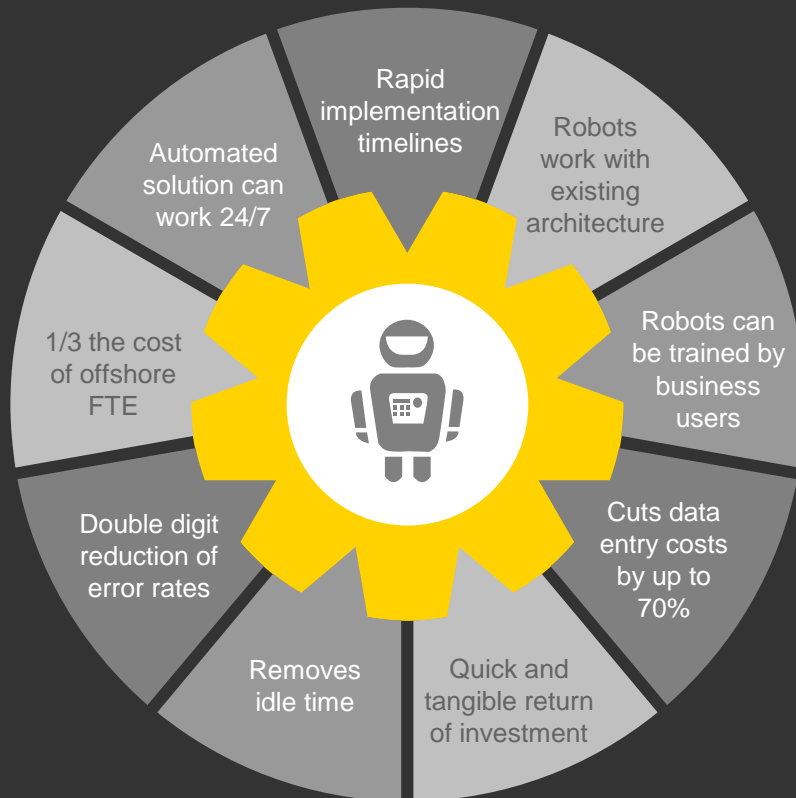
# Technology and the new sharing economy, push margins and challenge current business models



# Maturing technologies increase visibility & efficiencies across the Value Chain



## RPA



## IoT



- ▶ **Wi-fi enabled**, real-time beer stock tracking fridge



- ▶ **Mobile app** and **web portal** allows setup wi-fi, configure beer selection in fridge and monitor updates



- ▶ Synced with **local beer-delivery partners** – Minibar and Saucey



- ▶ **Alphanumeric LED display** for inside temperature and connectivity options



- ▶ **Real-time updates** to sports fans for replacement of beer supply for game days

### Office Bud-E Fridge



### "Bud-E fridge" for homes



## Digital Assistants

### Voice commerce



### The Bar

by Diageo

Rated: **Mature**

★★★★☆ 7

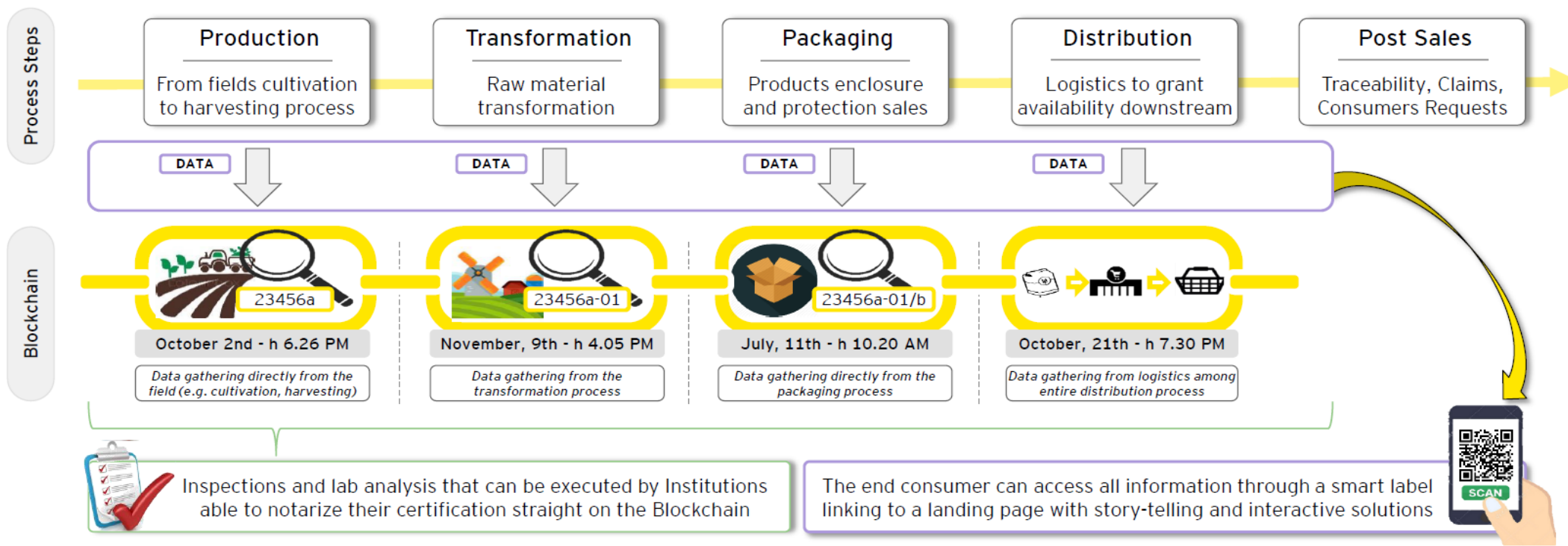
**Free to Enable**

"Alexa, open The Bar."

# Maturing technologies increase visibility & efficiencies across the Value Chain

## ► Blockchain

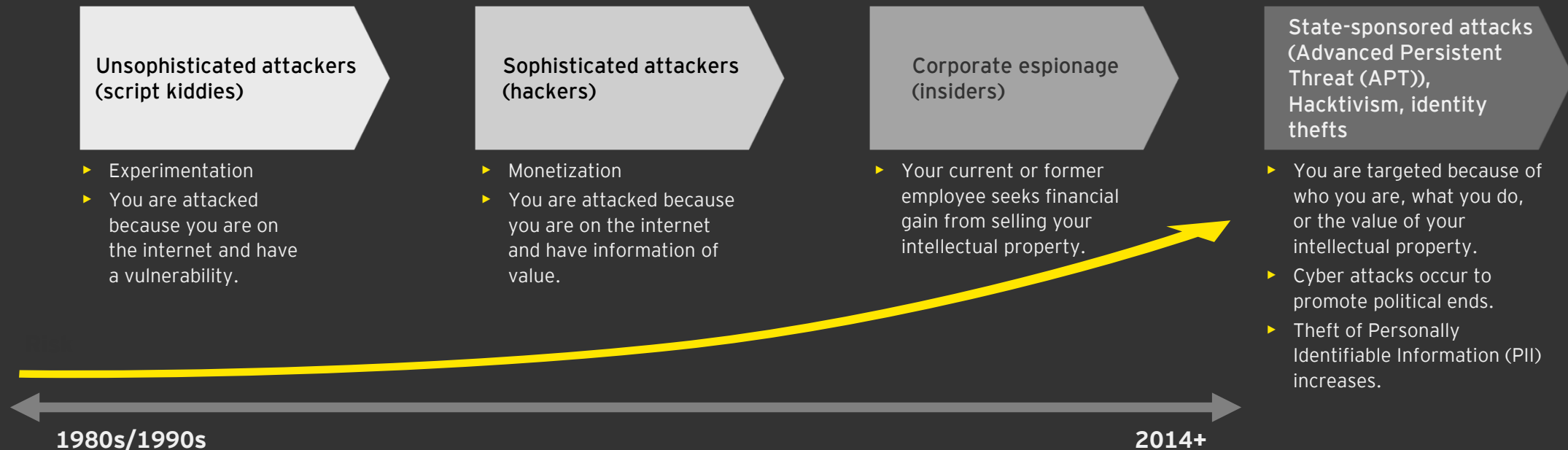
A plenty of informations can be **gathered** and **continuously tracked** from each production step along the entire supply chain, with the goal to deliver **certificated products data** among their **origin** and **quality**. Once done, **certification** and **publication** will take place though data storcization on **Blockchain**, leveraging on **digital blocks**



# Digital threats are evolving and Cyber-security is a must

## Cybersecurity threats are constantly evolving, and global corporations are being targeted

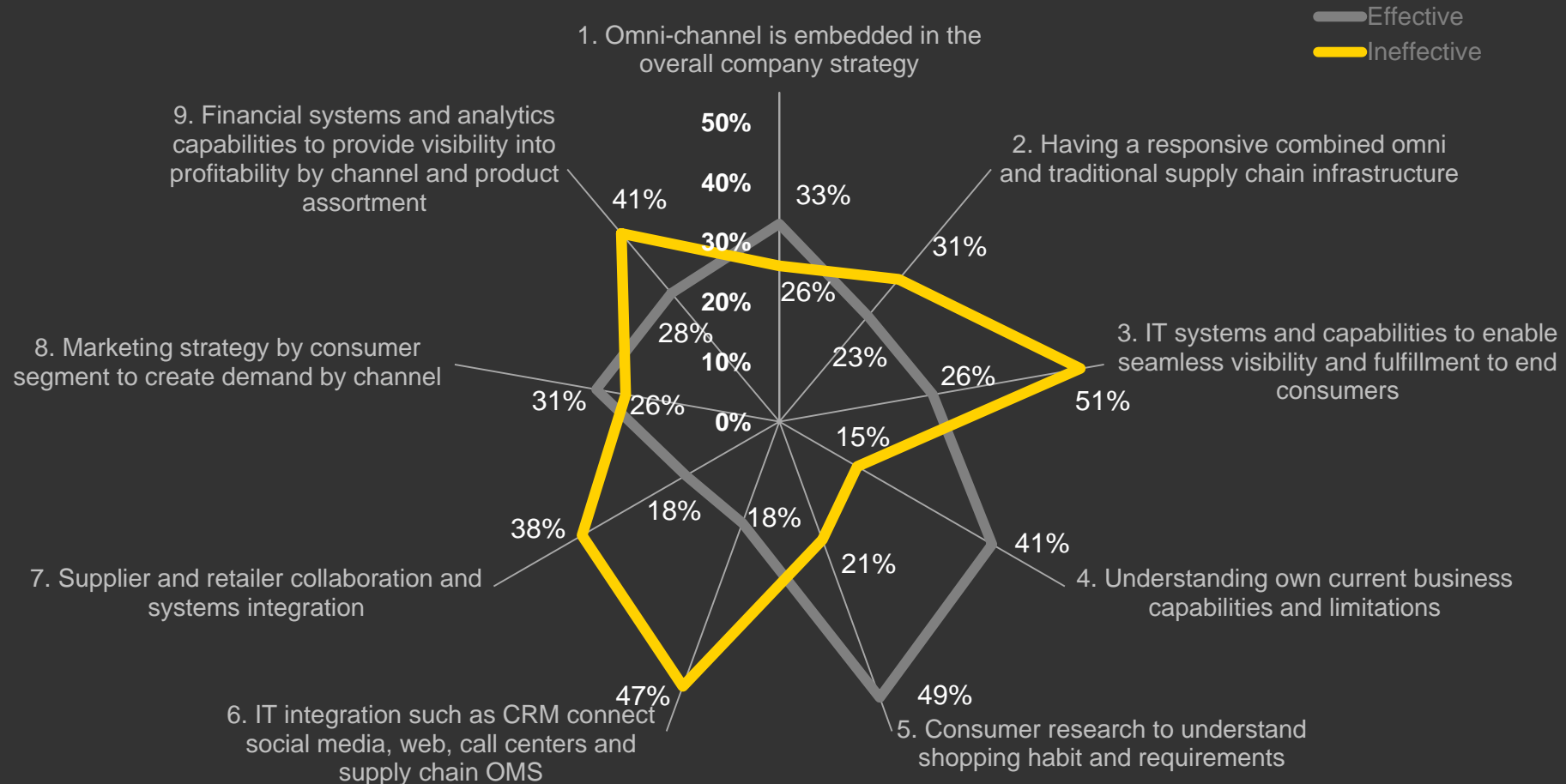
- ▶ Attackers are patient, persistent and sophisticated.
- ▶ Challenges have caused a paradigm shift in information security processes.
- ▶ Organizations must alter their mindset on how they think about cyber threats, risks and capabilities.
- ▶ The gap between threats and information security advances is widening, i.e., the challenge for global, leading companies is outpacing progress.



# New skills are a prerequisite to meet new challenges

How effective are companies in each of the following enablers of a successful omni-channel supply chain strategy.

Note: Enablers are positioned in the order of ranked importance



Source : EY CGF omni-channel supply chain survey

## Re-thinking the business model:



### Strategy

➤ *Is our business strategy fit-for-purpose for the challenging new business world?*



### Organization

- *Do we have the appropriate & sufficient talent pool to meet emerging needs?*
- *Our Talent pool has sufficient Digital capabilities?*



### Processes

- *Our process blueprints are compatible with the upcoming needs?*
- *Where can Digital platforms be used to optimize process?*



### Compliance

- *Is our operational framework in place to meet new and upcoming regulations and standards?*



### Customer

- *Where can Digital platforms improve the end-to-end customer journey and enhance experiences?*



### Risk

- *Is our Risk Management framework in-place and up-to-date?*
- *Does the Cyber Security framework meet business needs? Our Data Privacy policy is clear and accessible?*



### Partners

- *Where can data and technology enhance collaboration? Are there potential new partners?*



### Info. Tech.

- *How can technology and data help to drive innovation, operating effectiveness and efficiency?*

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