



Changing Consumer Demands in the New Multi-Channel World

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Collect+



15 Years in the Home Delivery Business

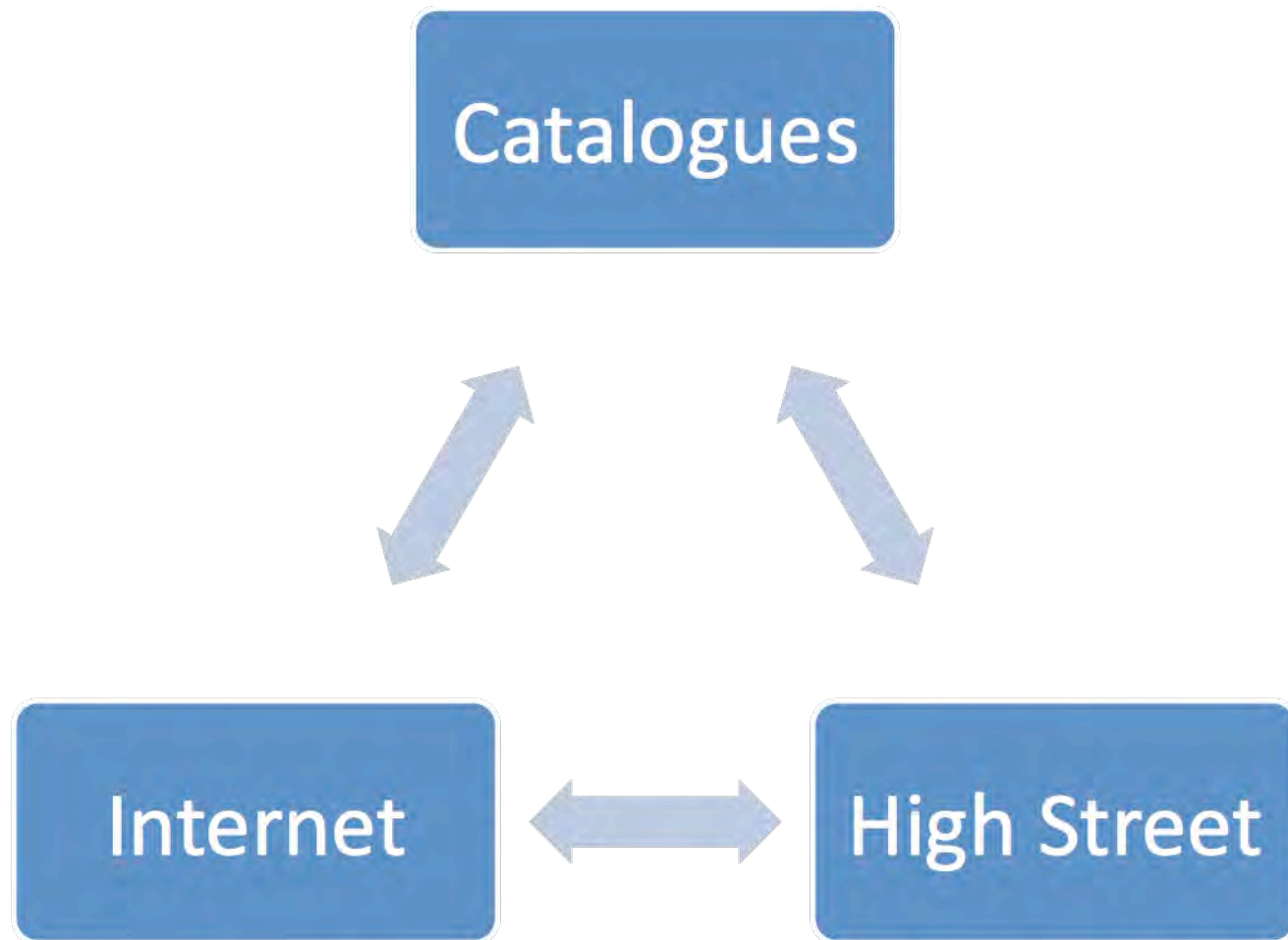
- Otto UK and Parcelnet
- Littlewoods Shop Direct Group and the Home Delivery Network
- Collect+
- 1.4 billion parcels

Mail Order Heritage

- Demand much more predictable
- Driven by Catalogue and Leaflet Distribution
- And Christmas
- Low Service Expectations

- Live was much simpler then but the world has changed

The new multi-channel world



Broadband

- Broadband penetration and line speed is the key driver leading to a real multi-channel environment
- More than 20m homes with access
- Now regarded as an essential part of life for most of the UK population

Shopping Behaviour Changing

- Internet used to acquire knowledge
- To search for Value
- To access choice

- Look round shops - buy on-line
- Browse on-line – buy in shop
- Click and Collect fastest growing retail sector

New Customers

- New Trading Formats
- New remote shopping consumers
- New Service Expectations
- Driving New Delivery Standards

Delivery Expectations

- Choice
- Flexibility
- Security
- Visibility
- Value for Money
- Effective Returns Proposition
- Maybe even an eco-friendly approach

Changing Distribution Models

- Time Specific Delivery
 - Ocado, Tesco, B2B
- Lifestyle Couriers
 - Hermes, DHL
- Safe Place Deliveries
 - HDNL, Royal Mail
- Click and Collect
 - Argos, Tesco, Halfords
- Local Collect
 - Collect+, Royal Mail
- Drop Boxes
 - ByBox, Hippo Box

- All designed to provide Flexible, Secure and Cost Effective Delivery Propositions

Pricing Dilemma

- Customers want choice
- Retailers want low costs
- Carriers need profits

Meeting the Challenge

- Consider the Whole Supply Chain
- Select the Right Carriage Options
- Communicate Effectively
- Recover Elegantly



Consider the Whole Supply Chain

Stock Availability

Warehouse Pick/Pack

Carriage Selection

Doorstep Experience

Returns Handling

Selecting the Right Carrier

- Key Factors
 - Location
 - Volume
 - Product Type
 - Product Value
 - Service Proposition
- Multi-Carrier Strategy but who for
 - Cost Control
 - Consumer Choice

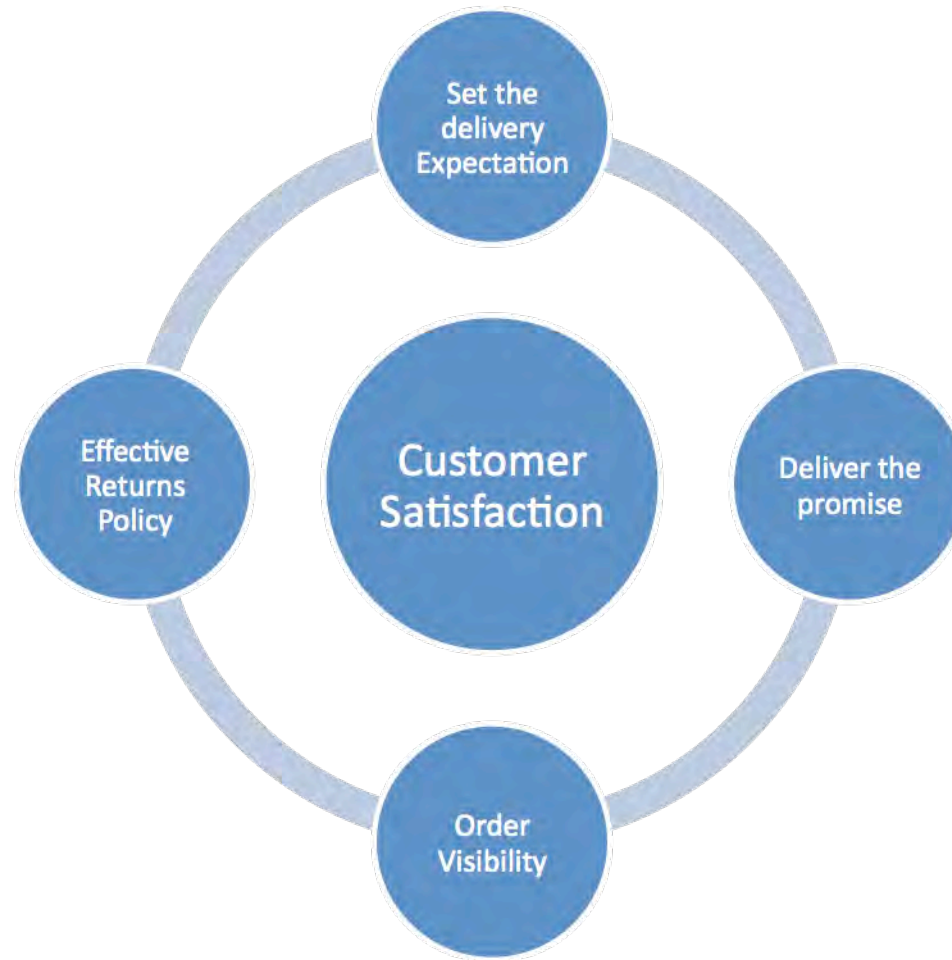
Communicate Effectively

- WISMO
 - Where is my Order
- Key lever in driving customer satisfaction
- Failure to communicate effectively drives call centre activity
- Proactive communication becoming part of life
 - Email notifications
 - On-line track and Trace
 - SMS messaging

Recover Elegantly

- Complex supply chains fail
- The key is to handle failure effectively
- High Street Retailers bringing higher standards and expectations to the on-line market
- UK consumers want some-one to talk to (or shout at)
- Most importantly they need an effective returns procedure

Critical Success Factors



Summary

Broadband penetration and the arrival of High Street Retailers into the e-retail space has changed consumers expectations fundamentally

Summary

Consumers want choice, security and effective communication within the delivery proposition and they don't expect to pay for it

Summary

Carriers are responding with more effective delivery propositions and better tracking systems but more needs to be done

Thank You

Any Questions