2019-2021

THE TRANSFORMATION OF EUROPEAN RETAIL

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EXECUTIVE SUMMARY

Ecommerce has grown massively during the recent health crisis thanks to the benefits it offers in the context of social distancing. This record growth, which Forrester estimated at 31% in 2020 for Western Europe, has major consequences for the retail sector. Bricks and mortar[1] players and pure players[2] have had to adapt to respond to the surge in orders and to adapt to new buying behaviour in the long term.

Online selling is not simply a matter of clicking on the “buy” button. First, it involves upstream marketing campaigns, with the promotion of products which the customer cannot see or touch as they would in a shop. Once the purchase has been made, its success is determined by the availability of efficient delivery and customer options such as click and collect[2]. The customer’s experience also depends on the delivery terms, which are dependent on product availability. The entire logistics chain is involved.

Distributors are not starting with a clean sheet, but they have never faced such rapid ecommerce growth before. This situation, which is true for the food, DIY and pharmaceuticals sectors alike, has forced them to implement innovative omnichannel strategies:

Usage of dark stores, the mini urban warehouses, to solve the problem of the last mile

Investment in automated logistic solutions to optimise and facilitate order preparation

Introduction of advanced cooperation tools to simplify internal and external relationships between distributors and their suppliers

Enhancement of IT infrastructures to centralize product information and product availability

[1]Bricks and mortar, or traditional sales companies with a network of physical sales outlets

[2]Companies which operate only on the Internet

[3]Corporate Social Responsibility

These projects are part of the road map followed by brands and have been implemented in record time, demonstrating their capacity to adapt and apply innovative approaches. This white paper presents the best practices adopted throughout Europe.

Each innovative example shares a common and essential feature: solid product data management. Product information needs to be collected in a single location to be shared, verified and accessible to the end consumer regardless of their location if each product innovation is to fulfil its promises. Whether launching a new service, adapting a mobile app, making a new CSR[3] commitment, testing a new distribution channel or managing returns. Content enrichment is now a key factor in order to innovate, improve omnichannel strategy and increase online sales for retailers who want to make a difference.

But optimizing your product page is no longer enough. The accessibility of information is essential in this highly competitive environment where the stakes are high due to the standards of pure players. Your customers are almost permanently connected. Real time management, which involves making corrections and updating all sales channels, is essential.

This white paper is intended to provide you with a good starting point for launching or pursuing your digital transformation in the face of a huge challenge: the on-going improvement of your product data, the management of its quality and consideration of its development, either by statutory means or through strong encouragement by consumers, in order to offer your customers the best possible omnichannel experience.

THE HEALTH CRISIS: AND THE WINNER IS...

In Western Europe, ecommerce grew 2.5 times faster in 2020 than in 2019, which means record growth of 31% ***(Forrester 2021 Online Retail Forecast for Western Europe).***

The pandemic has had a huge economic impact. With the health crisis, commerce experienced an unprecedented situation. Some players and sectors did very well and are showing impressive economic strength two years later. Others have encountered more difficulties. How do we evaluate the players in the consumer sector and the various brands in such a complex, and ubiquitous situation? Who in March 2020 was ready for such a wave of anxiety and uncertainty to ripple around the world?

When we look back for examples of good practices, adaptability, and agility, the results are clear. Some players have done well. Some segments are even showing unparalleled performance. Ecommerce as a whole serves as a growth driver.

The food industry has had to respond to an unprecedented increase in online orders linked to both lockdown measures and consumers' desire to limit their interactions and contacts. Many consumers began shopping online during the crisis. According to Kantar, in France, between March and May 2020, 2.4 million additional customer households used the internet to shop for groceries. The growth rate for major food retailers was between 1% - 1.5% before the crisis, but rose to 7% in the first nine months of 2020, according to IRI.

In Europe, online sales of FMCG had an impact in 2020 of €36 billion according to Fevad, up 69% from 2019[4].

[4] "E-commerce alimentaire : la consolidation après l'accélération", Fevad, 27 mai 2021

Our European neighbors have been setting records. The influence of ecommerce has consolidated both in countries where mass online consumption is still emerging, such as Germany (from 1% to 1.4% of the market in one year) and in more advanced countries such as the UK. In the UK, online purchasing gained more than 4 points between 2019 and 2020, rising from 7.6% to an estimated 11% - 12% market share. France finishes behind these countries with a market share of 8.3% (compared to 6% two years ago).

Food is not the only sector that has seen its online sales soar: the lockdown also drove individuals and companies to acquire computers for both telecommuting and schoolwork. Among the record-setting purchases were sales of home printers and home-related expenses in general.

The health crisis led omnichannel transformation to gain 5 years of innovation: according to Jean-Paul Agon, now Chairman of the Board of Directors of L'Oréal, to Alexandre Ricard, CEO of the Pernod Ricard Group, the world's second-largest wine and spirits company, to Marc Lolivier, General Delegate of Fevad. For example, Michel-Edouard Leclerc, a click and collect specialist, estimated that the in Western France the click and collect channel reached its expected 2024 target by the end of 2020 -- growing 50% in a single year.

> *"With the pandemic, digital has gained five years."* Jean-Paul Agon[5]

> *"This crisis is a transformation accelerator for Pernod Ricard."* Alexandre Ricard[6]

> *"The year 2020 was an accelerator for digital commerce,"* Marc Lolivier[7]

[5] "Comment L'Oréal a traversé sans encombre la tempête Covid", Les Echos, 12 février 2021

[6] "Cette crise est un accélérateur de transformation pour Pernod Ricard", Capital, 3 mai 2021

[7] "Baromètre trimestriel de l'audience du e-commerce en France / Bilan de l'année 2020, Médiamétrie, 4 mai 2021

This white paper focuses on the best textbook cases in ecommerce. Because the health crisis has blessed online sales and by identifying these "best practices" throughout Europe, we are actually able to identify these retailers' strengths. Besides being agile, they were also equipped with IT solutions that helped them optimize and automate their processes.

Whether confirmed online retailers or brick and mortar merchants, they sometimes launched services for their customers overnight. Many of these best practices are found in Europe. From dark stores to strategic partnerships with delivery specialists, and from the implementation of click and collect services to the posting of product catalogs on social media, retail has sought and found solutions.

What can we learn from these examples? That an indispensable cornerstone hides behind every ecommerce innovation: product data management. Whether we're talking about a new service, a mobile application, a CSR commitment or the launch of a new distribution channel, product information needs to be collected, shared, verified and accessible to the end consumer, wherever they are.

Content enrichment is now a key factor in order to innovate, improve omnichannel strategy and increase e-commerce sales for retailers who want to make a difference. But optimizing your product page is no longer enough.

In an extremely competitive world new quick commerce players can deliver groceries in 15 minutes, and correct data in real-time, ideally automatically, based on changes from regulators or the shoppers themselves. These are all major challenges for retailers and chains.

Product data is not static, nor is its quality. In the months and years to come, improving product data quality will be a major project for retailers and their suppliers who want to offer their customers the best omnichannel experience possible.

DARK STORES: WHEN THE POINT OF SALE DISAPPEARS

Faced with the health crisis and store closures, retailers were able to revise their model and quickly adapt. Witness to the phenomenon: dark or "ghost" stores have sprung up in Paris and other major European cities.

Inspired by the "dark kitchen," a model made popular by pure food players such as Frichti in France and Delivery Hero in Germany, "dark stores" experienced some popularity in 2020, driven by retailers' need to adapt to the consequences of the health crisis and the closure of outlets.

DARK STORES - NOT THAT RECENT

Historically, it was Tesco and Sainsbury's[8] that operated the first dark stores back in 2013 in the UK to deliver groceries to areas with high online demand. At the time, Sainsbury's was delivering to 190,000 customers per week and growing by 15% per year. At the same time, online grocery sales were growing 13% annually at Tesco

IN 2013

Sainsbury's	TESCO
15%	13%
Annual Growth	Annual Growth

[8] Reuters: "Sainsbury's plans 'dark store' to meet online demand" - 10/13/2013

What is a dark store?

The idea is simple: a mini-warehouse located in a city center that is used as a shipping point for orders placed on the web. What are the advantages of this model? It optimizes the delivery and storage of products as close to urban consumers as possible. In addition to fast delivery, sometimes in a few minutes, dark stores benefit from an extensive territorial network in highly urbanized areas and solve the costly problem of the last mile. In these small spaces (100 to 300 m^2) that can only accommodate a rather limited assortment and are closed to customers, the employee only deals with preparing orders and restocking.

Everything from "picking" to shelf configuration is designed for optimized preparation and delivery. The inventory is clearer and not dependent on an isolated warehouse. The assortments are also more specific and the preparers avoid product substitutions, thus guaranteeing increased customer satisfaction. Dark stores are thus tailored to consumers' requirements: the right desired product, at the right time.

DARK STORE

A mini-warehouse (100 à 300 m^2)

In order to mitigate the consequences of the health crisis and respond to the sudden increase in online orders, retail sees this model as a simple solution that can be quickly implemented. The food retailer Franprix has been testing this "format" since March 2020 and has chosen to convert four of its outlets to dark stores. They were not chosen at random: they had little or no traffic because they were located in office areas and were deserted during the first lockdown.

> *"The store's inventory was only used to prepare ecommerce orders, without any customers,"* François Alarcon, Franprix's Strategy and Innovation Director[9].

The same bet was made across the Pyrenees in Spain: the Dia group is now relying on a dozen dark stores, including three in Barcelona, which have a capacity of 400 daily orders.

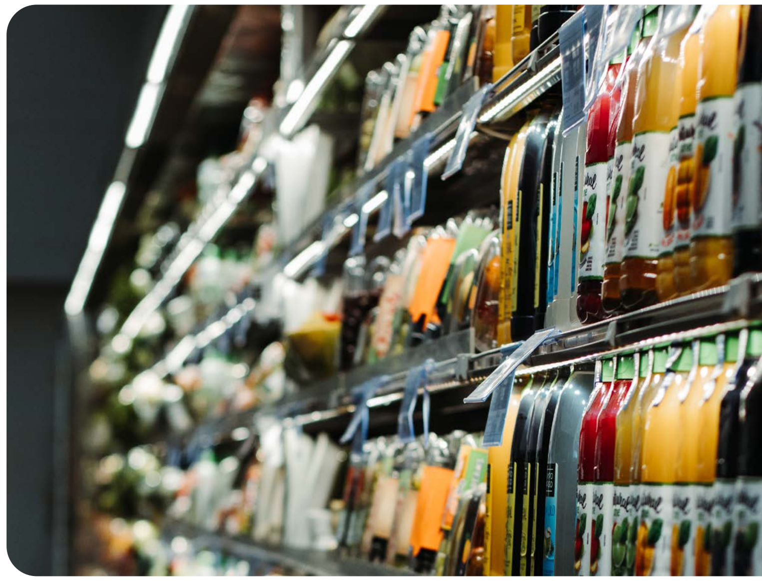
> *"We have prioritized a mixed distribution model based on 'mini dark stores', accelerating the last mile of distribution as much as possible and offering flexibility and efficiency,"* Diego Sebastián de Erice, Ecommerce Director for the Groupe[10].

Dark stores also appeal to textile brands and DIY stores that were closed to the public during the first lockdown, particularly in France. Stores belonging to Ba&sh, Electro Dépôt and PicWicToys[11] have been temporarily converted into small urban warehouses. The toy company has opted for the ship-from-store concept… and has performed well despite store closures.

> *"Click and collect, [...] allowed us to save more than 50% of our revenue and sell off our inventory[12],"* Romain Mulliez, Chairman of PicWicToys.

In the UK, Supermarket Income REIT, which owns five Tesco supermarkets, three Sainsbury's and one Morrisons, believes the phenomenon will continue: multi-channel stores with a dedicated area for online orders. Its Chairman Nick Hewson states, "The Big 4 retailers continue to leverage their existing store networks to support last-mile logistics for online grocery sales. As a result, the growth of online sales is driving value creation at these locations." This hybrid model, which supports a micro-fulfillment space at a supermarket, is also being deployed by Amazon in the US. It allows them to reconcile the need for a physical presence with a real ecommerce strategy. This is an excellent example of omnichannel.

Dark stores are thus one way to support online business surges while solving one of the crucial problems of home delivery. Retailers may increasingly adopt this new model that contributes to the growth of food ecommerce in Europe… as long as consumers remain loyal in a highly competitive environment. This is one of the bets the newest quick commerce players are making, to which a section of the white paper is dedicated.



[9] LSA: "How Franprix adapted its organization to keep up with the rise of e-commerce" - 5/15/2020

[10] Food Retail: "Dark Stores: la pandemia acelera el boom del online" - 2/05/2021

[11] Journal du Net: "Dark Stores: the must-have of omnichannel retail" - 2/25/2021

[12] LSA: "PicWicToys ultimately closes fewer stores than expected" - 1/13/2021

THE EXPRESS DELIVERY BATTLE

Speedy delivery is now a common requirement of consumers, who in recent years have become accustomed to the standards of pure players like Amazon. A study conducted by SendCloud and Nielsen[13] estimates that more than 45% of French consumers expect same-day delivery if they place an order before noon.

Same-day delivery is offered by brands such as Truffaut, which just launched its "TruffautCity" service for nearly 3,000 gardening and pet products in Paris. "Half-hour delivery will eventually be a concern for all sectors," predicts Thierry Garnier, CEO of Kingfisher, in the pages of Les Echos. In apparel, M&S was one of the first retailers to offer same-day delivery to compete with the reigning British online fashion champion, Asos, which offers a next-day delivery option.

The food sector is where express delivery is attracting interest. In just a few months, the number of quick commerce pure-players has exploded throughout Europe. Boosted by the health crisis and consumers who are adept at online ordering, they are disrupting the ecosystem and pushing major retailers to join forces with delivery specialists.

The motto of these pure food players is simple: ultra-fast delivery, usually 10 to 15 minutes, from dark stores ideally located in the city center, of a very limited number of everyday items (usually 2,000 to 5,000). These apps are popular with consumers thanks to their user-friendly interfaces, quality product visuals, and complete product pages. Customers are encouraged to order through low-cost deliveries (€2 to €3) and well-targeted promotions.

Due to the stiff competition in the express food delivery market, which has billions of euros in funding and is already very competitive, it is difficult to identify which pure-player will come out on top. There are substantial challenges to overcome: from purchasing products from suppliers to a territorial network that allows delivery in 15 minutes, while still providing real profitability.

Existing retailers have had to organize themselves to meet strong consumer demand during the health crisis and they are still looking for the right model. Although Monoprix has already teamed up with Amazon to deliver groceries in one hour in the French capital, Carrefour and Casino have forged lasting ties with food delivery specialists Deliveroo and Ubereats. In Germany, the giant REWE has signed a strategic partnership with Flink, which has now taken over the express delivery of small grocery baskets. The Dutch company PicNic, an ally of Cora, now offers 10,000 items for delivery in France. In Germany, PicNic received funding from Edeka, which had already invested heavily in the Bringmeister delivery service. Aldi was a latecomer to ecommerce, but since the crisis it has offered click and collect and delivery options with Deliveroo in Great Britain[14].

What's the best way to stand out in this extremely competitive world? Through the offering, for example by relying on local producers and businesses (bread, fruit, and vegetables, etc.). At a time of strong demand for short and/or local supply chains, sourcing remains a very important issue for these players. But also through a shopper experience that is optimized for m-commerce and the quality of the product information available on the app.

[13] "75% des Français annulent leur commande en ligne lorsque les coûts de livraison sont trop élevés", Ecommercemag.fr, 12 octobre 2021

[14] "Aldi could be considering online grocery launch amid £1.3 bn digitalisation project", Chargedretail.co.uk, 12 février 2021

FRANCE	MONOPRIX	amazon
	Carrefour, Casino	deliveroo, Uber Eats
	cora	PIC NIC
GERMANY	REWE	Flink
	Bringmeister.de	PIC NIC
UK	ALDI	deliveroo
	co op	deliveroo
	Sainsbury's	Uber Eats

WHY IS PRODUCT INFORMATION THE KEY IN M-COMMERCE?

by Pierre Guionin, General Manager France of Gorillas

Although mobile commerce is now an essential factor in an ecommerce and omnichannel strategy, the optimization of product pages on mobile is not yet a given. As Pierre Guionin, General Manager France of Gorillas, reminds us, "highlighting products is very important on mobile devices, especially for fresh products. For example, as much of the essential information that customers need to make a purchase decision must be indicated. For example, along with the packaging and the flavor or variety, i.e. the visuals remain the first identification criterion online, and it is also essential that the visual qualities be adapted to mobile commerce. Price is not the only element driving decision-making."

It is also necessary to offer a customer experience that is consistent with what these players are promising. "There needs to be a good balance between the offering and the speed of the order, without increasing the navigation time on the app," continues Pierre Guionin. Objective: optimize the entire value chain for customers, up to the "wow" effect: groceries delivered to your home in 10 to 15 minutes.

A LOOK AT QUICK COMMERCE IN EUROPE MAP

START-UPS AND THEIR YEAR OF CREATION

UNITED KINGDOM — FANCY
Date: January 2020
Fundraising: $125,000 (August 2020)

UNITED KINGDOM — Jiffy
Date: March 2021
Fundraising: €3 million (March 2021)

UNITED KINGDOM — Dija (gopuff)
Date: January 2021
Fundraising: $20 million

UNITED KINGDOM — weezy
Date: 2020
Fundraising: $20 million (January 2021)

UNITED KINGDOM — Zapp
Date: 2020
Fundraising: $100 million

FRANCE — FRICHTI
Date: 2015
Fundraising: $56 million in four fundraising campaigns, the latest of which was in 2019 ($7.9 million)

FRANCE — cajoo
Date: February 2021
Fundraising: €6 million

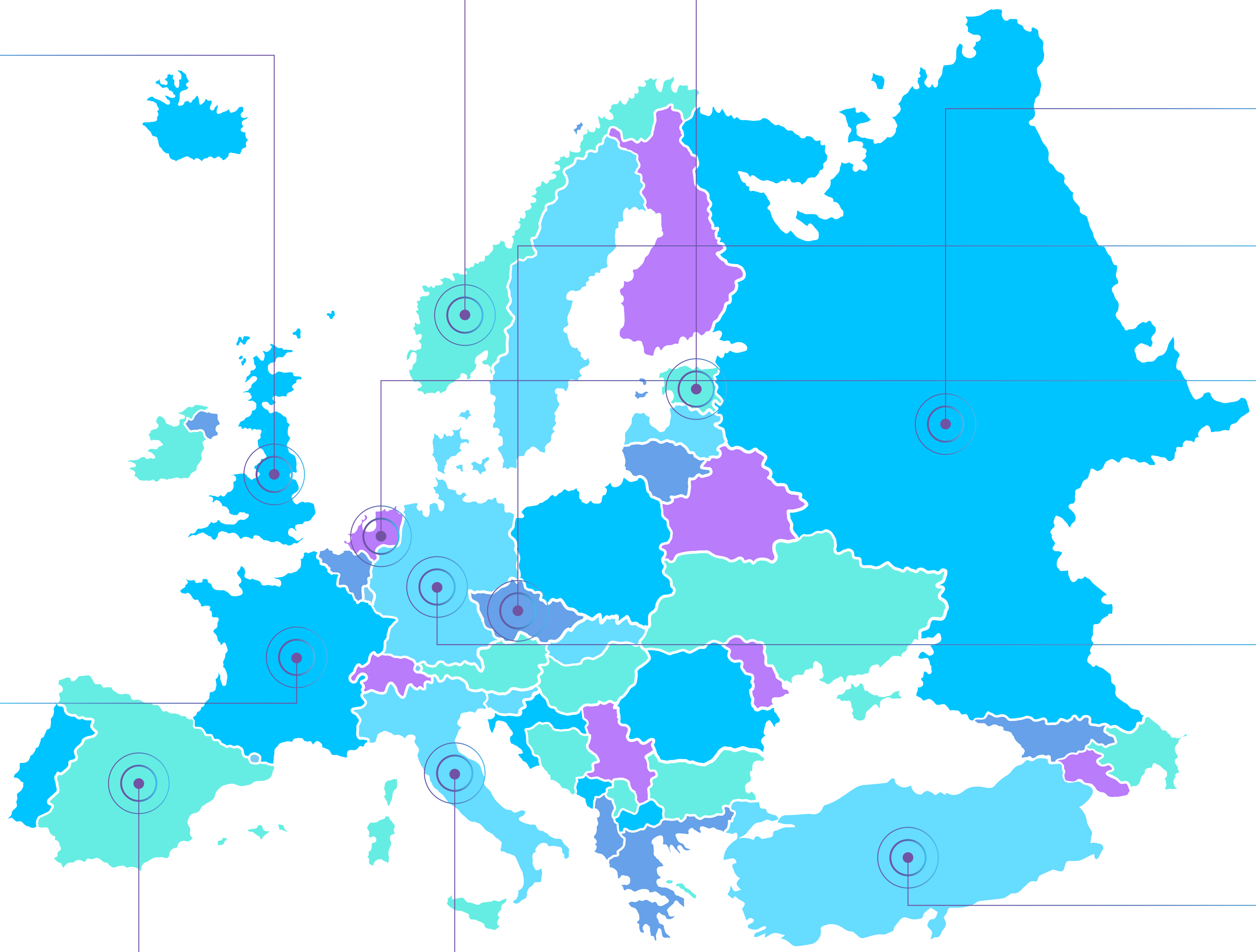
FRANCE — KOL
Date: 2015
Fundraising: $2.75 million in October 2019 (and Coca-Cola European Partners has taken a 25% stake)

FRANCE — LA BELLE VIE
Date: 2015
Fundraising: €11.6 million

FRANCE — mon-marché.fr
Date: 2007

FRANCE — VITE MON MARCHÉ
Date: 2017
Fundraising: €2.3 million (July 2021)

SPAIN — Glovo
Date: 2015
Fundraising: €450 million



NORWAY — oda
Date: 2013
Fundraising: €223 million ($270M)

ESTONIA — Bolt
Date: August 2013
Fundraising: €20M in March 2021 by IFC (International Finance Corporation - World Bank Group)

RUSSIA — Yandex
Date: 2000

CZECH REPUBLIC — rohlik
Date: 2014
Fundraising: €119M (Index Venture) in July 2021 and €230M (Index Ventures, Quadrille Capital & Partech) in April 2021

NETHERLANDS — PICNIC
Date: 2015
Fundraising: €995 million (September 2021)

GERMANY — GORILLAS
Date: May 2020
Fundraising: $44 million (December 2020), $290 million (March 2021, Tencent) and $950 million (September 2021).

GERMANY — Flink
Date: December 2020
Fundraising: $52 million (March 2021) Target Global Northzone Cherry Ventures and TriplePoint + $240 million in June 2021

GERMANY — Delivery Hero
Date: 2010
Fundraising: $6.6 million since its creation. Delivery Hero has created a $60 million fund so it can also invest in start-ups.

TURKEY — getir
Date: 2015
Fundraising: $550 million

ITALY — everli
Date: 2014
Fundraising: $100 million (March 2021)

A LOOK AT QUICK COMMERCE IN EUROPE

Bolt (ESTONIA)

The Estonian start-up, which was founded 7 years ago in Tallinn, specializes in mobility with its car-sharing and scooter rental program, and has also been a player in home shopping delivery since April 2020. Firstly, via partnerships with supermarkets for food delivery during the health crisis, Bolt has now announced that it is operating dark stores. After testing this system in its home country, Bolt plans to launch this service in the Czech Republic in the coming months and in about 20 other countries.

Date: August 2013

Valuation: €150M (2019)

Fundraising: €20M in March 2021 by IFC (International Finance Corporation - World Bank Group)

rohlik (CZECH REPUBLIC)

The startup founded in 2014 in Czech Republic says it can deliver 17,000 items to its 750,000 customers based in Vienna, Budapest, and three Czech cities. Rohlik plans to enter the German market within the next few months.

Date: 2014

Valuation: €1 billion

Fundraising: €119M (Index Venture) in July 2021 and €230M (Index Ventures, Quadrille Capital & Partech) in April 2021

getir (TURKEY)

Getir, or "bring" in Turkish, a pioneer in 10-minute food delivery, is expanding its business across Europe (and soon to the United States). The company has acquired the Barcelona-based start-up Blok, which is also a quick-commerce specialist. In addition to the Southern European market, Getir is already present in the UK, the Netherlands, Paris, and Berlin.

Date: 2015

Valuation: $7.5 billion

Fundraising: $550 million

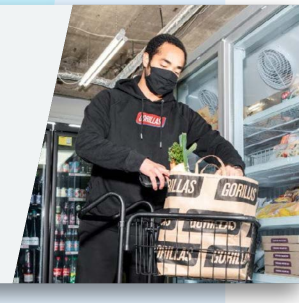
GORILLAS (GERMANY)

This startup founded in 2020 in Berlin is already reaching unicorn status with a $290 million Series B round of funding from Chinese tech giant Tencent. Gorillas promises to deliver fresh groceries within an average of 10 minutes through its "hyper-local" dark stores. It is present in Amsterdam, London and Munich with 40 of its own warehouses. Gorillas is also in Paris since April with two dark stores that deliver within a 2 km radius (Bastille and Gobelins).

Date: May 2020

Valuation: $1 billion

Fundraising: $44 million (December 2020), $290 million (March 2021, Tencent) and $950 million (September 2021).



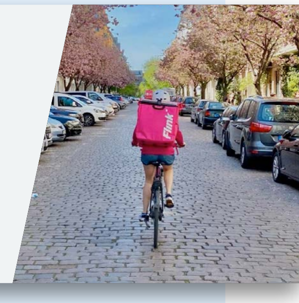
Flink (GERMANY)

This is a very recent start-up that already has 70 warehouse stores in Germany, the Netherlands and France. With four stores already present in Paris, Flink intends to double its capacity to cover almost all of Paris and four cities in the western Paris suburbs.

Date: December 2020

Valuation: /

Fundraising: $52 million (March 2021) Target Global Northzone Cherry Ventures and TriplePoint + $240 million in June 2021



FANCY (UNITED KINGDOM)

This British start-up already present in nine cities (Birmingham, Leeds, Manchester, etc.) was bought last May by Gopuff, an American quick commerce giant valued at $8.9 billion, which already operates 250 dark stores and is thus entering the European market. At present, Fancy is still operating under this name in the UK.

Date: January 2020

Valuation: /

Fundraising: $125,000 (August 2020)

Jiffy (UNITED KINGDOM)

This London-based start-up, which also promises food delivery within 15 minutes, raised €3 million in March. It offers about 2,000 items from its 6 dark stores in London and plans to open about 20 more and expand throughout the UK.

Date: March 2021

Valuation: /

Fundraising: €3 million (March 2021)

Dija (UNITED KINGDOM)

gopuff

Just 4 months old, this British start-up has raised $20 million. It offers food delivery in 10 minutes for some 2,000 items. Already established in London with 10 dark stores and in Paris in a restricted area (Hôtel de Ville - Gare du Nord), Dija plans to open a dozen more to ensure a complete territorial coverage of the capital city. The American GoPuff has announced that it is acquiring it.

Date: January 2021

Valuation: /

Fundraising: $20 million

weezy (UNITED KINGDOM)

Launched in 2020 in the Fulham and Chelsea districts, this startup has a presence in London, Bristol and Brighton, is working with wholesalers and is also sourcing from independent bakers, butchers, and markets. It plans to open 40 more sites in the UK by the end of 2021.

Date: 2020

Valuation: /

Fundraising: $20 million (January 2021)

Glovo (SPAIN)

A pioneer in the express delivery of consumer products, this Spanish unicorn operates in some 20 different markets across 300 cities. This year, Glovo announced a €100 million partnership with the real estate company Stoneweg to develop dark stores. It already has 7 in Barcelona, Madrid, Lisbon and Milan and wants to open 200 within 2 years. Although it had been present in France since 2016, Glovo left France due to its inability to find any profitability there.

Date: 2015

Valuation: €2 billion

Fundraising: €450 million

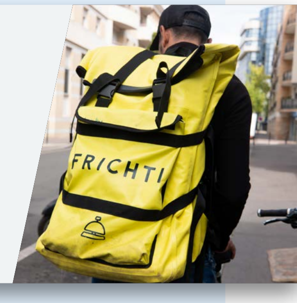
FRICHTI (FRANCE)

A pioneer in meal delivery, Frichti has also been involved in fast food and essentials delivery since 2018 thanks to its 18 dark stores in Paris, Lyon, Bordeaux, Lille and Brussels since the end of June, and soon in Antwerp.

Date: 2015

Valuation: /

Fundraising: $56 million in four fundraising campaigns, the latest of which was in 2019 ($7.9 million)



oda (FORMERLY KOLONIAL, NORWAY)

The Oslo-based startup, which offers same-day or next-day delivery of food, essentials and meals, raised €223 million last April. It will expand its business to Finland by the end of the year and to Germany in 2022. Unlike other players in the industry, Oda competes with supermarkets, not convenience stores: the average cart value is $120. Oda is well-positioned in Norway with sales of €200 million in 2020, and controls 70% of the orders and delivery of consumer products.

Date: 2013

Valuation: €750 million

Fundraising: €223 million ($270M)

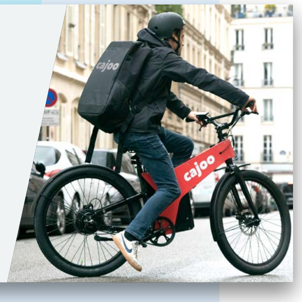
cajoo (FRANCE)

This startup launched its attack last February in Paris and wants to set up dark stores all over the city (about 50 in 2021) to deliver food and hygiene/cleaning products in 15 minutes or less. It now has 18 of these warehouse stores in Paris, Lyon, Lille, Montpellier, Bordeaux and Toulouse. At the end of July 2021 Carrefour entered into exclusive negotiations for a minority stake and an industrial partnership. Alexandre Bompard explained that it was an interesting investment for the long term because, “It will make it possible to retain high value-added customers.”

Date: February 2021

Valuation: /

Fundraising: €6 million



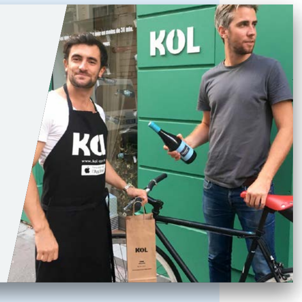
KOL (FRANCE)

Initially specializing in beverage delivery, the start-up Kol switched last January to an online delicatessen service, driven by the health crisis and the accelerating development of food ecommerce. It has grown from 200 items to 1,000. Based in Paris and its inner suburbs, Kol hopes to set up operations in Bordeaux, Lyon and Toulouse by 2022 with a clear positioning: it targets a clientele that is interested in quality products.

Date: 2015

Valuation: €630,000 of monthly turnover in May 2021

Fundraising: $2.75 million in October 2019 (and Coca-Cola European Partners has taken a 25% stake)



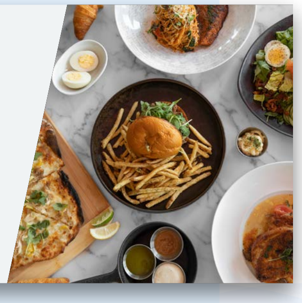
LA BELLE VIE (FRANCE)

This start-up delivers 12,000 items in Paris and its inner suburbs thanks to its 150 independent delivery workers. It also offers delivery service throughout France within 24 hours. A partnership with Système U has allowed it to double its range of products in one year by sourcing directly from its central purchasing department.

Date: 2015

Valuation: €30 million in turnover in 2020

Fundraising: €11.6 million



mon-marché.fr (FRANCE)

This Rungis-based start-up offers one-hour delivery of fresh produce by employees equipped with electric bicycles within a limited radius in central Paris and Boulogne-Billancourt. It is accelerating its deployment by acquiring underground parking spaces converted into warehouses.

Date: 2007

Valuation: €4 million before being bought in 2018 by Prosol (Grand Frais)

Fundraising:

VITE MON MARCHÉ (FORMERLY ZGOAT, FRANCE)

This Nantes-based start-up offers one-hour delivery of fresh and local products thanks to a fleet of mobile trucks assigned to a delivery zone. Vite Mon Marché also deployed its service in Toulouse in July 2021.

Date: 2017

Valuation:

Fundraising: €2.3 million (July 2021)

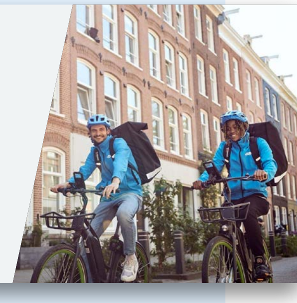
Zapp (UNITED KINGDOM)

This London start-up, which operates via dark stores with 2,000 items, delivers within 15 minutes using its direct hire deliverers, unlike Deliveroo. While its opponents focus on delivering groceries, Zapp instead operates by delivering convenience products. The delivery service is also present in Amsterdam, Paris and Manchester. Zapp announced its sponsorship of the Chelsea soccer team in 2021.

Date: 2020

Valuation: /

Fundraising: $100 million



Delivery Hero (GERMANY)

This Berlin-based start-up is not new to the delivery market. Yet it too has chosen to join the quick commerce battle with its fast delivery service launching in April 2020.

Date: 2010

Valuation: $1.2 billion in turnover in 2019

Fundraising: $6.6 million since its creation. Delivery Hero has created a $60 million fund so it can also invest in start-ups.

PICNIC (NETHERLANDS)

PicNic offers an online supermarket with 7,000 items that it stores in large warehouses. After the Netherlands and Germany, this start-up has set its sights on France and opened its first warehouse in the Nord Department to serve Valenciennes with its electric delivery vans.

Date: 2015

Valuation: €350 million in turnover in 2019

Fundraising: €995 million (September 2021)

everli (ITALY)

This Italian start-up is present with its grocery delivery service in 70 cities in Italy, Poland, the Czech Republic and Lyon in France. The idea is simple: Everli partners with retailers and its delivery people are actually "personal shoppers" who go to the store to get what the customer needs. Thanks to its partnerships, Everli lists some 300,000 products on its platform.

Date: 2014

Valuation: /

Fundraising: $100 million (March 2021)

Yandex (RUSSIA)

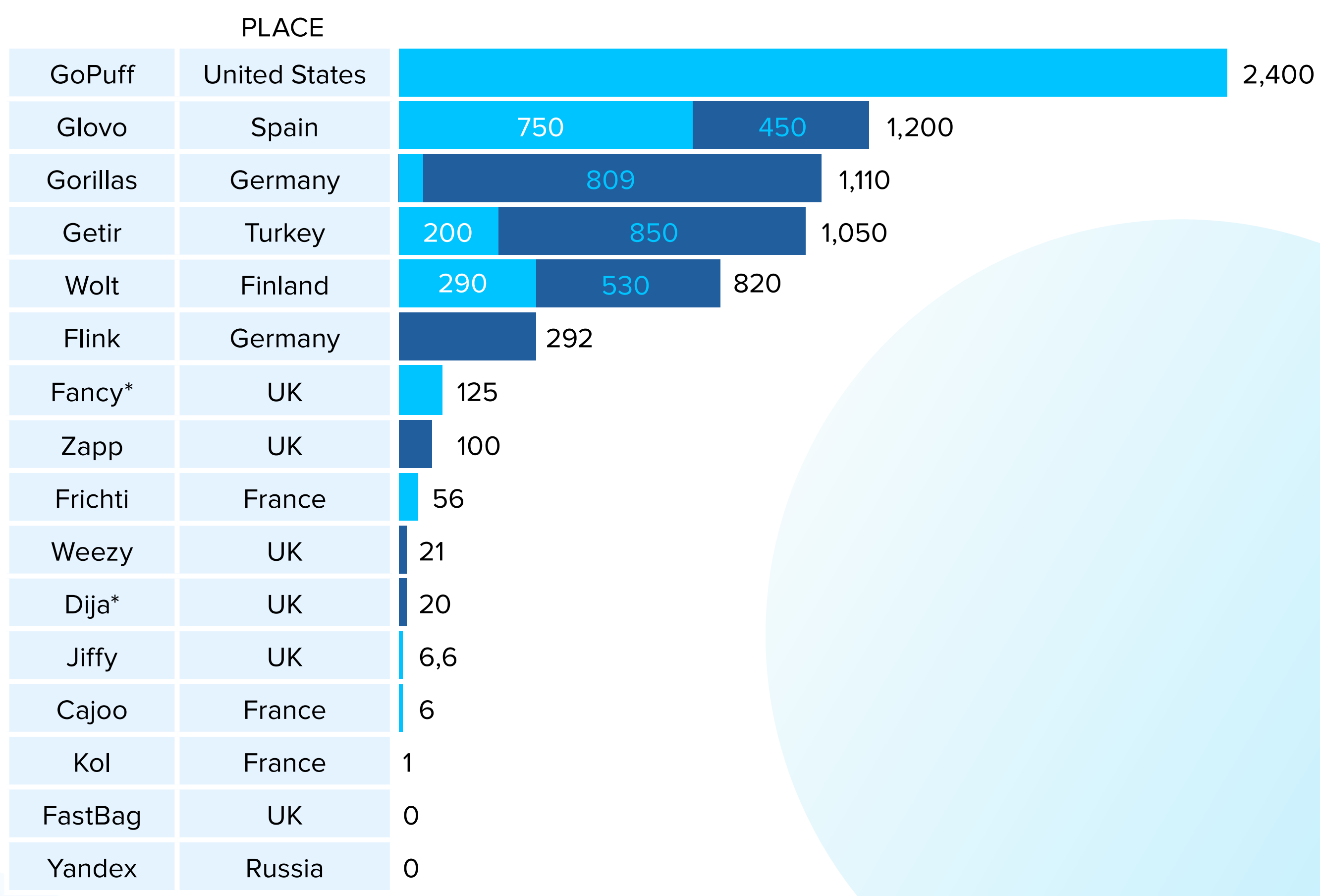
The "Russian Google" offers Yango Deli, a 10-minute grocery delivery service in several Russian cities and Tel Aviv (Israel). The company announced last April that it wanted to set up in Paris and then London in the third semester of 2021. Yandex also wants to offer a robot delivery service on American campuses.

Date: 2000

Valuation: €121 million in turnover in 2020

Fundraising: /

FUNDRAISING BY OPERATORS OF « DARK STORES »



*Acquired by Gopuff

FROM SALES TO SERVICE: TRANSFORMING COMMERCE

Between click and collect, e-reservation, ship-from-store, and livestream services, retailers have introduced a range of initiatives to compensate for the sudden changes in mandates and the closures caused by the health crisis and to maintain their online business activities.

Just like the previously mentioned implementation of dark stores, retailers have seized on the health crisis as an opportunity to accelerate their digital transformation while consumers, who were confined to their homes, rushed to shop online. Kantar reports that for the UK, France, and Germany, the share of people who do 50% or more of their shopping online increased from 25% to 80% in April 2020. This is a lasting trend, as 6 out of 10 people intend to continue on this path after the pandemic.

Although retailers have had to make difficult choices, such as temporarily closing stores, putting employees on partial shifts, dealing with surpluses or facing supply shortages, they have also shown resilience and adapted their offerings and services to meet this unprecedented spike in orders. These are welcome initiatives, and although they have been underway for several years, they are now indispensable. Online shoppers' demands are now at their highest, driven in particular by the standards set by the giant Amazon in terms of speed, simplicity, and customer service.

Stores that were once a place for purchasing have thus become the preferred place to pick up online orders. The British company M&S has started a new click and collect system based on in-store pick-up points that eliminate waiting lines. This includes the product return process, which the customer manages directly, depositing the item on a tray and reducing the time dedicated to returns by 60%. In France, Damart has taken advantage of its territorial coverage to set up an online and telephone reservation and in-store pick-up service[15]. This pedestrian click and connect called "Allô Résa," complements the brand's physical and digital offerings.

Another initiative: stores which, because of the health crisis and the occupancy limits put in place, are being transformed into individual meeting places. This ultra-personalized service is prepared for in advance, on the brand's website, where customers can select the products they want to try on, checking on the availability, size, or color. This is what the London department store Selfridges has proposed.

Small independent businesses such as bookstores, independent clothing stores, or small wine shops bounced back during the second lockdown and developed click and collect service in their stores thanks to easily implemented solutions to create their online shops.

[15] Les Échos: "Physical stores are reinventing themselves in the face of the crisis" 11/17/2020

HEALTH ON THE FRONT LINES OF SERVICES

Another sector that has extended the service dimension is healthcare, which has been on the front lines since the beginning of the health crisis. In France, the Leadersanté Group offers online ordering of personal care products[16], as well as scheduling an appointment with a pharmacist, and collecting products and medicines via click and collect. In the Paris Opéra area, Pharmabest has installed 37 lockers inside its pharmacy to allow customers to pick up their orders without having to wait in line.

The recent acquisition by the Pharmacie Lafayette Group, the leading network of independent pharmacies, of Cocooncenter, a major player in the online trade of parapharmacy products should be noted. According to Hervé Jouves, the purpose of this merger is to create a "French champion of online personal health and beauty shop," a market estimated at €500 million.

[16] Alkemics Blog: "Leadersanté trusts Alkemics for the product sheets of its new e-commerce site" - 06/18/2021

Parapharmacie Lafayette
Le bien-être pour tous

The health crisis has finally accelerated the development of Live Commerce which was already skyrocketing in China, representing $5.6 billion in sales in 2020[17].

During virtual sessions that are broadcast live on social media or the brands' ecommerce websites, , sellers and influencers demonstrate a product live on the brand's social network or channel. The online audience can direct questions about the product pages and then very easily buy the featured product presented with a simple click.

Leroy Merlin tried this exercise with AEG[18], with a live product demonstration during which the audience could ask questions. The video replay is then added to the product pages. The same goes for Fnac, which held nearly fifty live sessions jointly with a selected brand and YouTubers who are experts in new technology. Olivier Garcia, Product Manager at Fnac Darty, explains that 75% of the views occur after the live session on the replay video.

[17] The Seattle Times: "The future of online retail looks a lot like QVC, with livestreams of influencers, including dogs, doing the hawking" - 7/09/2021

[18] E-marketing.fr: "Leroy Merlin, Fnac, Carrefour: 3 brands that are experimenting with live shopping" 3/17/2021

SOCIAL NETWORKS ARE NO LONGER HIDING THEIR APPETITE FOR ECOMMERCE

The social networks' ambitions for commerce are no longer a secret, with many of them, like Pinterest or Instagram: have an in-app purchasing function.

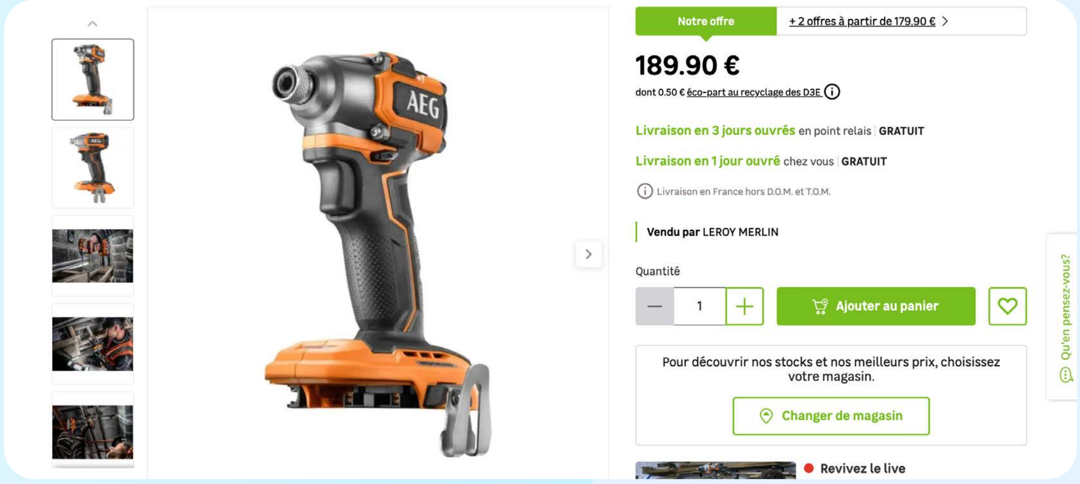
In Europe like elsewhere, Facebook never stops confirming its assault on online commerce. With its Messenger, Instagram, and WhatsApp platforms (which total 2 billion users), the Palo Alto-based company is doing whatever it can to expand online shopping by allowing stores to showcase their products. WhatsApp is offering to integrate product catalogs into conversations. At the height of the crisis, the Carrefour Group make an ordering service available to its customers via messaging, with a dedicated number allowing them to order pre-prepared carts, to be picked up in-store or to be home delivered.

In the era of live commerce and social commerce in general, retailers are showing an increasing interest in it. Nearly 80% of e-retailers now use social networks for commercial purposes, according to an Oxatis/KPMG study. And according to YouGov France, 38% of 18-34 year-olds have already purchased a product via a social network. Although fewer people over the age of 45 have already made such a purchase, 30% of the 45-54 age group have done so.

This craze existed before the health crisis, but the current environment seems to be perfectly in line with this phenomenon. At a time of social distancing, social networks seem to be the perfect channel to help brands and chains rally communities, maintain a virtual connection with their customers, create buzz about new product launches or personalize their relationship with the customer.

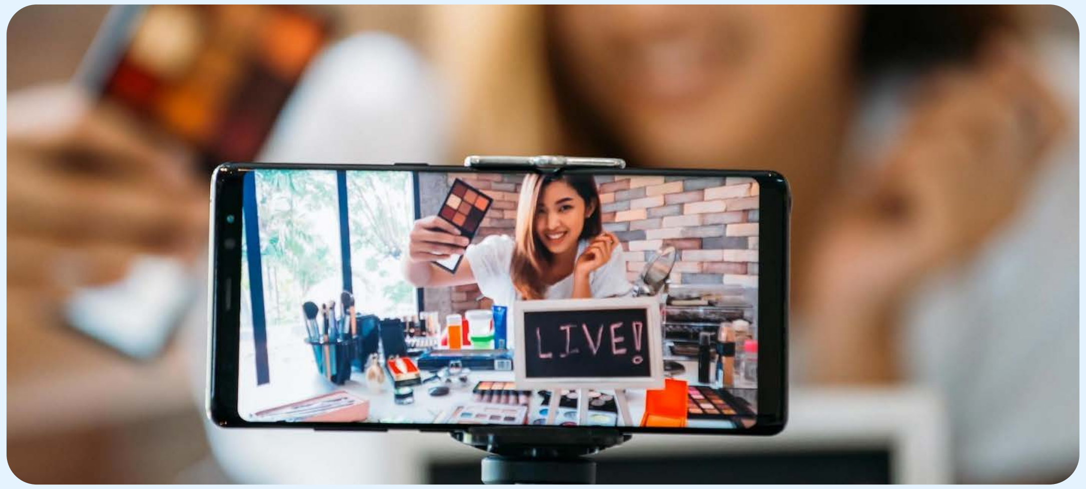
TikTok announced in the summer of 2021 that it would be launching online sales. This social network that is owned by the Chinese company ByteDance, is partnering with the ecommerce solution Shopify. Although the brands on Shopify could already run marketing campaigns on TikTok, they can now sell on the channel as well. This feature that is currently available in the United States, Canada and the UK, is expected to be deployed in other European countries. The platform claims 100 million active users in Europe, including 11 million in France. According to Shopify's statements to the New York Times, sales on its social commerce channels (including TikTok, Facebook, Instagram, Snapchat and Pinterest) increased 76% between February 2020 and February 2021.

It's now Twitter's turn to launch. Twitter users (on iOS) in the United States, have been able since this summer to click on products from certain merchants to access product information and purchase the product directly from the app. This feature, called the "Shop Module," allows a brand to add a product catalog to its profile.



A "Relive the Live" insert allows the product presentation to be directly reviewed on the tool's product page.

Britain's M&S debuted a new click and collect system on in-store kiosks in July 2021, which avoids waiting in line and includes a system for returns.



In China, live commerce already amounted to $5.6 billion in 2020.

DATA, RETAIL'S GREATEST STRENGTH

Between purchasing data, transactional data and customer data, industry professionals are swamped with so many different data sources. Product data, which is historically driven by regulatory requirements, now permeates many consumer expectations, especially in ecommerce.

Historically, the retail industry is undoubtedly the forerunner in collecting customer data by coming out with the first loyalty cards decades ago. One has to go back to the 50s and the Fnac to find the first program of this kind, the department stores followed, and next came supermarkets. Now, brand loyalty programs are automatically associated with digital payment methods via mobile apps. Purchasing and consumption habits are much better understood and make more personalized offerings possible, provided that customer data is reconciled among the various online and offline channels.

Other data, other uses: real-time data concerning available inventory is essential to optimizing the supply chain. Online commerce is constantly generating data, not just about a product's location, but also about when it was purchased, the various points of contact with the customer and their consumption habits. The arrival of paperless receipts is adding even more material and more work.

This data, or rather its volume, is dizzying, regardless of the sector. This expansion provides figures and estimates that testify to the promise of what some are already calling "Retail 4.0." According to estimates from Global Market Insights, the market is expected to reach $20 billion by 2026. Allied Market Research, for its part, estimates that the global market for the analysis of big data, or megadata, in the retail sector generated $4.85 billion in 2020. It is expected to reach $25.56 billion by 2028, growing at a CAGR of 23.1% from 2021 to 2028.
The amount of data needed to achieve these goals is constantly increasing.

Once the data has been collected, how can this gold mine of valuable information be used to guide the strategies of professionals? Processing, curating, analysis; this is not a new topic, but advances in technology, particularly in automation and machine learning, have significantly increased the power of data analytics. Sufficiently powerful tools are needed for any kind of relevant processing of these masses of data. Data cannot be exploited and activated unless the product data is very specifically geared to offering the right product to the right customer at the right time.

According to a recent McKinsey study, "all food retailers need to perform advanced analytics in order to succeed. For the food trade, in particular, we see potential to increase earnings before interest and taxes (EBIT) by up to 2 percentage points if all the practical examples are implemented and the value is fully captured. Most of this value is driven by practical business examples related to assortment, pricing, promotions, personalization. Many food retailers are investing heavily in analyzing and mastering practical examples such as pricing, promotion, and assortment optimization. This trend has only just begun."

Retailers have comprehensive data on the products they sell. Beyond the regulatory aspects, this data is invaluable in winning over customers, keeping them as exhaustively informed as possible in-store and online, and giving brands and products added visibility. Getting the data to the customer at the right time is crucial.

Quality product data significantly increases products' visibility online and in stores. Product data is also the cornerstone of retailers' ability to innovate: By thus adding a new online sales channel with an already optimized product catalog; by launching a mobile-first website with attractive visuals and responsive design; by creating product information sheets that can evolve according to new purchasing criteria that consumers may take into account. Market acceleration is requiring retailers and suppliers to be ever more agile, so they must transform their processes and collaboration tools.

How is this data, its evolution, and its growth affecting businesses? We also know that one of the biggest obstacles to fulfilling all the promise offered by data is the "siloing" of organizations. We have seen this: in order to have better collaboration between suppliers and distributors, each team and each business must have access to the product data.

But it's not so easy to move from a compartmentalized vision of data to a shared and collaborative vision of data. Between IT, marketing, and sales teams, change management is a broad topic that affects many businesses. The benefits of PLM (Product Lifecycle Management), DAM (Digital Asset Management) or PIM (Product Information Management) may need no introduction. However, the sharing of product data, both within organizations as well as between the various players in the consumer goods industry, the interoperability of solutions, or the reliability of exchanges, are other projects that are far from over.

In 2020, Alkemics commissioned Forrester Consulting to conduct an independent study called Total Economic Impact ™. When retailers manually manage their supplier communication processes, product data is poor and outdated which leads to product data errors. Moreover, productivity is improved when streamlined data collection is in place. A 50% reduction in employee time spent on data collection and control tasks is then noted. In terms of costs, this translates into saving €98,000 over 5 years, not to mention avoiding penalties for non-compliance of €112,000 over 5 years as well.

OVERCOMING SHORTAGES: A SURE BET

The March 2020 lockdown put a strain on retailers, especially in the food sector. Inventories of flour, toilet paper, and other hygiene and household products were quickly depleted and professionals had to be adaptable to safeguard (or even transform) the continuity of the supply chain.

> *"You may not have your favorite brand of pasta but an empty shelf is full two days later, at most,"* Michel-Edouard Leclerc in March 2020 to BFM TV[19].

[19] Le Figaro: "In France, 'we have food until the summer,' reassures Michel-Edouard Leclerc" - 03/11/2020

When the first lockdown was announced, many of the heads of major supermarkets went on television and radio to reassure the French concerning potential shortages.

Grocery chains were quick to react and adapt to this unprecedented situation. Some even limited the number of items purchased per household.

> *"Some people sometimes ordered 50 cans, and we had to say 'no' and impose a limit,"* Dominique Schelcher, CEO of Système U.

Casino indicated that it had increased supplies of certain product categories, such as canned goods, pasta, rice and household products.

The United States as a Role Model

Some retailers better anticipated the consequences of a health crisis. This is the case of Texas-based HEB, which was particularly well prepared[20] for this crisis. An emergency plan was developed as early as 2005 during the swine flu outbreak and fine-tuned years later to effectively respond to issues caused by weather disasters (tornadoes, hurricanes).

[20] L'Usine Digitale: "Shortages, Logistics, HR: Why Texas-based HEB Supermarkets weren't caught off guard by Covid-19" - 3/28/2020

As soon as Covid-19 cases began to appear in the US, the San Antonio-based retailer took initial steps such as adjusting store hours to allow employees more time to restock shelves. The chain's 350 stores also opened earlier in the morning to accommodate the various curfews.

Faced with shortages, the company quickly limited the quantities customers could purchase, particularly for N95 masks, disinfectants and toilet paper. On the logistics side, some warehouses were converted to supplying only certain categories of products that were in high demand by consumers, such as meat and eggs. For example, for meat, HEB concentrated on the fifty best-selling items in order to increase volumes and reduce shipping times. The Texas-based chain also diversified its supply sources by calling on companies specializing in institutional catering, which had no business at the time.

Another procedure that can be used to respond to shortages of consumer products is for a retailer to diversify its suppliers. In May 2020, Alkemics implemented collaborative solutions on its platform[21]. A messaging feature allowed purchasing departments and reference teams to exchange information and select suppliers with sufficient inventory in real-time, to identify alternative products, and, to consequently know the costs of substitute products.

[21] Alkemics Blog: "Covid-19: better respond to uncertainties by improving collaboration between distributors and suppliers." - 04/14/2021

LOCAL PRODUCTS COME TO THE BRANDS' RESCUE

Some distributors explored other avenues, such as using restaurant suppliers or local producers with less complex supply chains. For example, the regional cooperative Les Apiculteurs Gascons, which brings together 12 beekeepers from the Lot-et-Garonne and Tarn-et-Garonne regions, saw its GSA listing improve during the health crisis. While distributors face sudden increases in demand and many products, including honey, were out of stock, the Alkemics platform facilitated retailers' identification of its products... while still responding to high demand (which was already emerging before the health crisis) from consumers for local products.

> *"By March 2020, the number of stores where we were listed jumped from 78 to 90 (and to almost 120 today), and our sales doubled in just one month,"* John Rigon. *"Since then, our sales have continued to grow, peaking during the first lockdown: From 1,800 jars sold in March 2019 to 2,200 in March 2020 and 4,350 in April 2020."*

Retailers who were equipped with more mature product information management solutions were able to react the fastest. Beyond the technological factor, these best practices also demonstrate that collaboration and communication between retailers and suppliers are essential to responding to supply issues and demonstrating responsiveness.

COMMERCE AS CLOSE AS POSSIBLE TO CONSUMERS

THE AUTOMATED WAREHOUSE REVOLUTION

Faced with the boom in food ecommerce, retailers' logistics platforms had to keep the pace up to ensure that all the orders were filled. In this competitive sector, retailers with automated warehouses were clearly better prepared. But all the key players in the consumer goods and retail sector nevertheless saw their supply chains disrupted.

Food ecommerce amounted to €36 billion in Europe in 2020[22]. It was a record year for the sector, whose digital transformation, according to many experts, gained 4 to 5 years in just a few months, and whose sales volume, according to a McKinsey/EuroCommerce study, has grown by 8% for and 11% in sales value.

[22] Fevad: "Food e-commerce: consolidation after acceleration" - 5/27/2021

In France, over the entire year 2020, online sales of consumer products grew by 42%. The catalyst for this phenomenon, of course, was the sudden health crisis that encouraged consumers to turn to online sales to avoid going to the store. The websites of the large food stores where 59% of spending was concentrated during the lockdown, show higher growth than the pure players and specialized sites according to Kantar.

In order to support such growth and keep up the pace, the most mature online retailers were able to rely on their automated warehouses. In March 2020, Groupe Casino launched its first 36,000 m^2 completely automated warehouse in the Paris region,[23] with the help of the English specialist Ocado. The O'Logistique center (a subsidiary of the Casino Group) can prepare a customer order in 6 minutes from the more than 50,000 products available and deliver it to 75% of the population in Île-de-France.

[23] Voxlog: "Casino's new automated warehouse makes its first deliveries" - 4/03/2020

The Monoprix online catalog that was initially dedicated to Monoprix Plus sales, which then offered delivery of 13,000 items, and the warehouse quickly evolved, thereafter adding the Casino Plus service. Casino customers can do their shopping online and benefit from next-day delivery with an excellent quality of service on 12,000 items, whereas Monoprix will offer 50,000 items by the end of 2021 from the same warehouse[24] within an 80 kilometer radius in the Ile-de-France with a one hour delivery slot every day of the week.

[24] LSA: "The automated Monoprix-Ocado warehouse now prepares orders for Géant and Casino" - 11/03/2021

For one of Casino's spokespersons, "the relevance of food ecommerce delivery is obvious in the current situation. [...] Thanks to this warehouse and this partnership, we are five years ahead of all our competitors in France." The Casino Group's objective is for this warehouse to eventually reach €500 million in sales. In England, Ocado signed a partnership with Marks & Spencer, called Ocado Retail, for £750 million. Its logistics center in the London suburbs that is dedicated to this joint venture can handle up to 150,000 orders per week.[25]

[25] Financial Times: "Ocado's largest warehouse shut after robot collision causes fire" - 7/17/2021

OCOMMERCE: WHEN RELIABLE PRODUCT DATA AT THE WAREHOUSE IMPROVES THE CUSTOMER EXPERIENCE

Provided that it is of high quality and comprehensive, product information can also make a significant contribution to improving the online experience, starting right from the order preparation stage. On the logistics side, high-quality product data, such as dimensions, can be used to optimize product storage as well as preparation, particularly by determining the same unit of need in the event of a substitute product.

Customers scan the information for a variety of reasons. Searching for transparency on the origin of the ingredients or the presence or absence of allergens, consumer deciphers the labels, sometimes using apps.

With the exponential growth in food ecommerce, access to this product information has become ever more essential. From behind their screens, consumers need to have the same data they might read when shopping in a supermarket. This is both a legal obligation, governed by INCO regulations, and a consumer requirement.

Access to information is a key factor in the purchasing decision. For example, the customer can check the expiration date of a fresh product at the point of sale. Online, it is more complicated: Indicative dates, such as the use-by date (UBD) and the date of minimum durability (MDD) which have replaced the best-if-used-by date (BIUB), are not included on the product page. In addition, certain indications are not mandatory on certain products such as fruits and vegetables.

It is nevertheless clear that consumers are entitled to order fresh products with sufficient shelf life. How can such product information be leveraged to remove a disincentive and trigger an online purchase?

The Casino Group has turned this information into a key factor in customer satisfaction. One of France's leading food ecommerce companies relies on Ocado's patented technology for its Fleury Mérogis warehouse.

For example, the solution can take the ideal consumption date into account during automated preparation of the order, The consumer enjoys products with optimal consumption periods.

> *"With Ocado, we are able to guarantee the number of days left for optimal consumption for each product at the time of ordering,"* Laurent Kamiel.

Another criterion taken into account when filling bags intended for the customers: food products are not mixed with household products. And the dimensions of the packaging help to optimize filling the bags or loading the trucks dedicated to delivery. What are the benefits of this optimization? Efficient routes for the merchant reduce costs.

> *"This data also allows us to optimize the filling of truck rounds and reduce fuel consumption,"* Laurent Kamiel.

"For consumers, the circle is just as virtuous: It's the assurance that their favorite brand has good practices in place in terms of social responsibility and, more particularly, in terms of the environment. This is a good thing at a time when activism in favor of sustainable development and society's growing concerns about climate change are on the rise. Because although consumers want faster delivery, they also are also strongly demanding cleaner and more sustainable ecommerce."

But this cannot all be done without very high-quality data. Laurent Kamiel sums up the situation as follows:

> *"The ambition to be the number one ecommerce food retailer Ile-de-France is only possible with good or even excellent data."*

It should be noted that this type of good practice necessarily implies involving another player: the supplier. Distributors need to work with manufacturers all over the world to help them improve their packaging through optimizing materials and sizes.

The Ocado Group is not alone in the automated warehouse market: Amazon, of course, and the Norwegian AutoStore, but even the French company Exotec have set up a automated warehouse for Carrefour in Plessis-Pâté in Essonne.[26] The warehouse, which initially supplied click and collect, has also been managing home-delivery of orders since October 2020, with its 15,000 to 20,000 items spread over 24,000 m^2, crisscrossed by 225 robots. This site, through which some 200,000 items pass each day,

> *"is the first that Exotec has equipped for food and the third-largest site in the world,"* Mourad Bensadik, Supply Chain Director for France at Carrefour.

Exotec is also working with Decathlon in Canada[27] and is deploying 55 of its robots at the company's 30 distribution centers in that country, and is aiming to distribute 8 million items next year. The company has also partnered with the Gap Group for the North American area[28].

In the competitive online food distribution market, the players with the most efficient platforms and logistics centers were the ones who best responded to consumers' expectations during the health crisis.

Moreover, the automation of logistics activities is not just limited to the food sector. In sectors such as textiles, streamlining the returns process requires making optimum use of logistics processes. Reverse logistics has gradually become an important subject. At Zalando, which has a policy that promotes both purchases and returns (the "Try First, Pay Later" option, pick-up of returns from the customer's mailbox, etc.), returns now affect 50% of ordered goods. Hence there is a need for a return management system equipped with robotic solutions to receive returned products, sort through them, check their condition and, if necessary, repackage them, and then reenter them into inventory, and so on.
The global logistics automation market is expected to grow from $48.4 billion in 2020 to $88.9 billion by 2026, with an average annual growth rate of 10.6%. In addition, a survey published by the National Retail Federation (NRF), estimates that more than 40% of retailers consider online order picking automation to be a priority.

[26] L'Usine Digitale: "A deep dive into the heart of a Carrefour automated warehouse with robotics from the start-up Exotec" - 4/19/2021

[27] Retail & Leisure International: "Decathlon Canada to include robots in holiday prep" - 5/25/2021

[28] Exotec Blog: "2000 Robots and New Customers in North America" - 7/18/2021

WHETHER PURE PLAYERS OR SMALL RETAILERS, E-SHOPPERS HAVE THE SAME DEMANDS

If delivery bends over backwards to meet e-shoppers' expectations, it's because the latter have become particularly demanding and are fed up with Amazon's standards and performance. Beyond issues with delivery, consumers' habits have been turned upside down by the health crisis... and they have developed an appetite for more local and responsibly-sourced products.

In 2020, 81% of European consumers made their purchases closer to home and supported local businesses. In addition, 23% of them take the environmental impact of most or all of their purchases into account according to a European Union study[29]. Consumers, who have grown accustomed to the efficiency of Amazon's services, have become demanding regarding the delivery and return process and are also paying more attention to the origins of what they consume. Thus, 84% of Europeans have a preference for organic, local, and seasonal products[30], 86% prefer to buy sustainable household appliances, and 35% report having a guilty conscience when they go to a supermarket.

Little by little, locally-based initiatives are responding to these recent consumer trends. In the Occitania region, in November 2020, the "Dans Ma Zone." [In My Area] arose at the initiative of the Regional Council. This digital platform allows consumers to find everyday products that are made or manufactured close to home. Eventually,

> *"Dans Ma Zone" will give merchants offering direct ordering or in-store pick-up the opportunity to be listed on the regional platform and benefit from its visibility,"* Regional President Carole Delga[31].

Small stores and independents, who were taken by surprise during the first lockdown, quickly reacted and set up online storefronts that offer click and collect, for example, and meet their customers' demands. The government also set up a helpdesk, as of November 2020, to assist with its platform going digital clique-mon-commerce.gouv.fr, which offers merchants assistance in quickly developing an online business.

Large food stores have also adjusted to meet demand for local options such as Système U, which promotes local production in its stores with dedicated corners.

> *"We want to be a local economic player,"* Thierry Desouches, Systeme U spokesman[32] *"It is important for us, as a network of independents, to sustain the dynamics of the territories where we are located."* This vision is confirmed by Dominique Schelcher, Chairman of Système U: *"We are a cooperative where the store owners own their business. The fruits of their local labor are reinvested locally. They do it with a short supply chain by using local companies to provide services or products."*

Pure players like La Belle Vie have also understood the new consumption patterns. Based in Ivry-sur-Seine, the website offers grocery delivery in one hour of "products that have flavor and a story," with new producers and artisans listed every week and over 3,000 organic items. The platform has had a partnership with Système U[33] since June 2020, which has enabled it to source everyday products and thus meet the demands of its customers. When responding to consumer demand for fresh and local products, on the one hand, and fast delivery, on the other, it is the players who are the quickest to adapt to the new consumption patterns who should come out on top.

Pure players' offerings are also turning towards eating well from local sources. Offering local products or products with short distribution channels allows you to stand out in a highly competitive market segment.

84% of Europeans prefer locally-sourced organic products that are in season.

AUTOMATIC LOCKERS, PICK-UP POINTS, CLICK AND COLLECT, ETC.: WHEN ECOMMERCE BENDS OVER BACKWARDS

While home delivery remains popular, the health crisis has showcased other alternatives to address the last mile issue. Click and collect by automobile or on foot, which is popular with consumers, has made it possible to respond to the increase in ecommerce food sales, while pick-up points and automatic collection points have responded to other needs while providing the most effective territorial coverage.

[29] European Union: "Survey of Consumption Conditions and Eurostat" - 3/12/2021

[30] Ecommercemag.fr: "Consumption: Europeans are becoming Activist Consumers" - 6/23/2020

[31] Actu.fr: "Occitania. To support small businesses, the Region is launching the 'Dans Ma Zone' platform" - 11/05/2021

[32] Les Échos: "Système U, adapting to the new circumstances" - 8/27/2020

[33] LSA: "E-commerce: La Belle Vie is aiming €80 million in turnover" - 04/28/2021

FEVAD BAROMETER X MÉDIAMÉTRIE - 1ST QUARTER 2021:

Home delivery remains buyers' preferred delivery method. In the first quarter of 2021, 87% of online shoppers preferred this type of delivery, although click & collect is gaining ground in food e-commerce (57% of purchases). After home delivery, consumers prefer pickup points, and 1 out of 2 buyers choose it. Click and collect is next, with 33% of buyers. Deposit delivery is only a minor factor (4% of buyers).

While initiatives such as collaborative delivery, offered by Yper, Shopopop or Everli, where other consumers deliver groceries, are a complementary response to the increased demand for home delivery, click and collect is also faring well in the food sector. With supermarkets recording turnover of €9.1 billion[34] in France in 2020, this delivery method, which was developed in France in the early 2010s, is one of the most dynamic, with growth of +85% in 2020[35].

On-foot click and collect is the most active segment, with +179% growth during the first lockdown. But the Leclerc Chez Moi, Monoprix Plus, and Carrefour Livré Chez Vous services are competing with these pick-up points and local sales outlets and causing them to lose 6 performance points on average when they are in direct proximity. They reach a different target than the click and collect, with a younger, more urban clientele.

Click and collect has also attracted other sectors such as hardware stores during the health crisis.

> *"Customers were interested in being able to pick up their products easily and safely. We went from just a few orders per day before the lockdown to several dozen through this channel",* Alain Rabec, CEO of Kingfisher[36].

This seems to be an ongoing trend. Elodie Perthuisot, Director of Digital Transformation and Data for the Carrefour Group, recalled on Twitter that 10 new click and collect points opened during the summer alone. The group has more than 1,120 click and collect points in France, including 281 that opened in 2020.

Pick-up points remained active during the health crisis but had to cope with the closure of non-food stores.

> *"We redeployed the service in supermarkets, then in local shops,"* Yann Radenac, Director of Performance and Processes at Relais Colis[37].

Temporary platforms were set up where activity is strongest, between certain collection and delivery areas, in order to avoid non-optimized channels and platforms, such as a shipment passing through the Île-de-France region for delivery in the far north of France.

Whereas automatic pickup lockers were not the "in" thing before the crisis and even caused players like Poland's InPost to quietly withdraw from the French market[38] in 2018, lockdowns and the pandemic gave the system new momentum. By staying as close as possible to consumers and operating 24/7 without physical contact, automatic lockers have proven their relevance.

[34] LSA: "The Daily Figure: The Best Click & Collect Service" - 7/21/2021

[35] Ecommercemag.fr: "Lockdown Again: A New Breakthrough in Food E-commerce" - 11/17/2020

[36] Décideurs Magazine: "A. Rabec (Kingfisher France): 'The DIY Craze could last a Decade'" - 7/23/2021

[37] L'Usine Digitale: "How data management allowed Relais Colis to provided continuity of deliveries" - 10/01/2020

[38] Journal du Net: "Consignment Delivery: A Service that's still in Lockdown in its Box" - 7/03/2018

Amazon set up 1,000 lockers on the SNCF Gares & Connexions network in 2018.

> *"We experienced strong growth in our automatic case pick-up business last year, driven by the growth of ecommerce and customer's expectations for more secure case retrieval,"* Geoffrey Godet, CEO de Quadient, in April 2021[39].

These lockers allowed Relais Colis to absorb increasing volumes of packages without overwhelming pick-up points. By summer 2021, Carrefour will have installed more than 400 automatic case collection lockers in France in all three formats: hypermarkets, supermarkets, and neighborhood stores.

In the future, lockers will increasingly be used for returns: 67% of Germans would be willing to use a drop-off solution[40] and 75% of Europeans would be willing to use a more environmentally-friendly return method. As a point of departure or return, automatic lockers also increase in-store traffic and encourage impulse and convenience buying.

The diversity and flexibility of these delivery solutions have helped address lockdown issues and consumer demand for quick deliveries at convenient locations, either near home or on their route.

Quadient experienced a major boom in its automatic pickup business during the health crisis.

[39] Ecommercemag.fr: "500 package lockers will soon be deployed in stores by Quadient and Relais Colis" - 4/16/2021

[40] Cycleon: "White Paper: Consumer Returns during and after Covid-19" - 7/19/2021

WHEN RETAIL ADOPTS SECOND-HAND

Beyond the quality of the product or service, consumers have also grown fond of second-hand products. In a context of growing environmental awareness, the trend has continued and is pushing retailers to develop their range of trade-in and reconditioning options.

Consumers are driving retail trends and second-hand is one of the most current topics that illustrates this. More than just a trend, second-hand shopping is now a basic phenomenon that has become more marked over the years: representing 22% of sales in France in 2020[41] (11% in 2018) and a market worth €7.4 billion[42].

The second-hand market for reconditioned products has taken off, driven by the introduction of telecommuting and the development of teleconsultation and reduced working hours.

> *"Beyond the simple matter of ecommerce, the crisis fostered needs among individuals with no other choice but to outfit themselves for study and work,"* Camille Richard, CSR Manager at Back Market[43].

In the United States, the start-up doubled its turnover[44] on the day the purchasing power bonus was paid. An Opinion Way Study for Rakuten[45] in 2020 indicated that 66% of French people were ready to forego purchasing the latest technological product in favor of an older but less expensive secondhand product.

The same applies to furnishings and clothing. Ikea offers a trade-in service on its website for old furniture that is then sold online and in-store via the "Circular Hub," (formerly "Bonne Trouvaille"). The service allows you to reserve a piece of furniture directly online and come and collect it in-store. In Sweden, the furniture giant has gone a step further and opened a store dedicated to secondhand items[46] in a specialized shopping center called Re-Tuna.

Decathlon, which set up "Trocathlon" in 1986 in its stores' parking lots, a service that is dedicated to the resale of second-hand bicycles and ski equipment, has developed its online offering for its Domyos, Quechua and Forclaz brands. Via its "Second Life" platform, the sports equipment manufacturer offers reconditioned products at reduced prices, along with bike, ski and trekking equipment rental.

With the help of the Lizee start-up, Decathlon was able to deploy a complete service line: the platform manages the logistics part, from the pick-up to the shipment, including the product's refurbishment.

> *"We support key players of the retail sector towards a more sustainable and ethical approach, with the double benefit of participating in preserving the planet, but also in the growth of businesses: increased margins, the opportunity to reach new consumers such as Millennials, etc.,"* explains Tanguy Frécon, founder of Lizee[47].

The start-up is also working with Maje for rentals of evening dresses[48]. In apparel, there are countless examples: after the success of specialized platforms (Vinted, Vestiaire Collective), the brands are lining up one after the other: H&M, Kiabi, Cyrillus, Camaieu, Orchestra and most recently, the German brand Zalando, have all launched their own second-hand service.
Although it's rarer in the DIY sector, Castorama has announced its launch of such a service in the coming months.

These offerings require that retailers upgrade their supply chain by integrating a reverse logistics process, where good product data tracking is essential to ensuring a consistent returns-into-sales process: in addition to the usual aspects, information about the product's condition or its volume must be included.

[41] French Web: "Why are Gen Z such fans of second-hand goods?" - 7/06/2021

[42] LSA: "It's time for Recycled Logistics!" Expert panel - 6/22/2021

[43] Usbek & Rica: "Secondhand, Slow Logistics: What can online sales do for the energy transition?" 7/20/2021

[44] Les Échos: "Ikea to open its First Secondhand Store" -09/14/2020

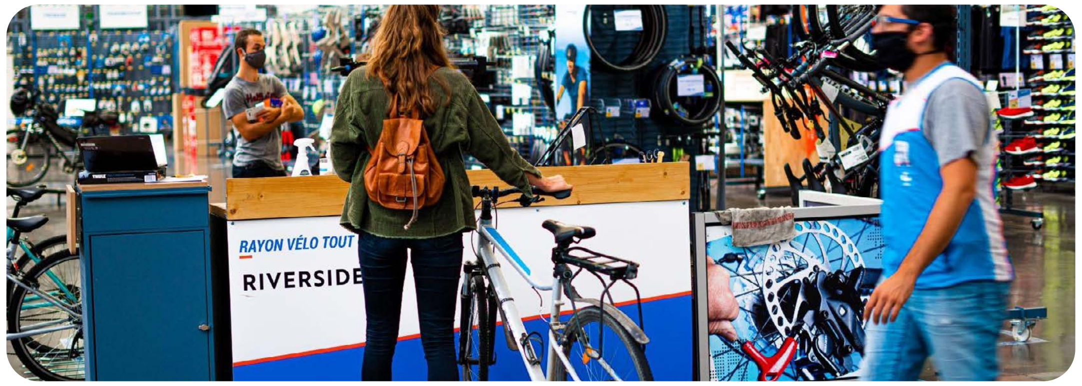
[45] Journal du Net: "How the health crisis is transforming the purchasing behavior of the French" - 9/11/2020

[46] Les Échos: "Ikea to open its First Secondhand Store" -09/14/2020

[47] E-marketing.fr: "The brands that are making second-hand a smart choice" - 7/15/2021

[48] L'ADN: "Circular economy tech startup Lizee raises €1.3 million" - 6/22/2021

Ikea recently launched Circular Hub, a new buy-back service for its furniture, which is then resold online and in stores.



Via its Second Life platform, Decathlon offers reconditioned bicycles and sports equipment at reduced prices.

Second-hand is no longer reserved for clothing shelves and is now open to furniture, sports equipment and even high-tech products.

TWO QUESTIONS FOR SÉBASTIEN LEFÉBURE, MANAGING DIRECTOR SOUTHERN EUROPE FOR MANHATTAN ASSOCIATES[49]:

Sébastien Lefébure

Q: What specifics need to be taken into account for data management during a product return?

SÉBASTIEN LEFÉBURE : Initially, the reliability of the product data will avoid a build-up of returns. In the apparel sector, for example, inconsistent size management and an unidentified wrong size will create a significant number of returns. When ordering, having access to detailed information such as accurate photos, technical instructions for items such as furniture and accurate dimensions, especially as concerns case size, will help avoid customer dissatisfaction. Having good knowledge of the customer's data is also a source of reliability by referencing the sizes of their previous purchases of the same brand.

Once the return process is activated, the most important element is to qualify the return. This return can be processed in the store, at the warehouse or via a call center, etc. Thus the "reason" code, i.e., the reason why the product was returned must be consistently defined. All the reasons for a return need to be referenced and consistent, behind the interoperability of the various product management systems (OMS and WMS) is necessary to ensure fluidity of operation.

Then, a feedback analysis loop needs to be set up. The objective is to determine if there is a problem with the item, or if there is a pattern to the returns. In order to take action and, for example, change a business gesture, you can edit the online description or add more detailed product photos. This loop is essential for identifying quality problems.

[49] Société éditrice de logiciels spécialisés dans la chaîne logistique

Q: What is an innovative example of product data management during the return and resale process?

SÉBASTIEN : The big ecommerce providers such as Cdiscount or Veepee are benchmarks in this field and in managing mass returns. Veepee has implemented the Re-Turn mechanism. Rather than sending the product back to the warehouse, the platform allows the customer to wait until the product is resold to ship it directly to the new end customer. This requires an accurate qualification of the product: a garment that is the wrong size can be returned, but a product that is too damaged cannot be returned. The information on a product malfunction for example must be circulated, in which case, a new customer receiving the same product will be dissatisfied. OMS and WMS systems thus need to coexist and be interoperable in order to ensure that the item has a consistent lifecycle.

KEEPING UP WITH THE CHANGES IN PRODUCT INFORMATION IS A NEW CHALLENGE FOR RETAIL

As ecommerce enters an unprecedented phase, both in terms of value and volume, the retail industry is facing various issues related to its product data. One of these issues, which is extremely time-consuming, concerns updating the product data.

The growth of data is exponential. One factor is adding complexity to the difficult balance between the processing and the quality of the product data: this is not a fixed equation, regardless of whether it is of a technical, regulatory or more marketing-focused nature. In this rapidly changing environment, it is necessary to use the appropriate data collection tools.

Today, these developments are affecting every sector, from food to textiles, including electronic products and DIY equipment. For example, as part of retail companies' ambitious CSR policy, packaging is gradually being enriched with other information: product life cycle, maintenance tips, re-use and even recycling instructions. Online, this is accompanied by new filters related to product sustainability and recommendations promoting sustainable ranges or products; The Swedish company Ikea suggests products that are best suited to their future use in order to decrease the return rate but also to increase the durability of its products based on their use.

Such a development may be necessary due to a regulatory change. In France, a new law went into effect on January 1, 2021. The Anti-Waste Law for a Circular Economy provides that a Repairability Index must be displayed for 5 categories of household and electronics appliances (front-loading washing machines, smartphones, laptops, TVs and electric lawnmowers). Its purpose is to better inform consumers about the more or less repairable nature of their purchases by grading each device on a scale of 1 to 10. This is a genuine expectation among customers as evidenced by an Alkemics study conducted in January 2021. 84% of French people say they are influenced by repairability when buying a product.

Its objective is to fight obsolescence by informing the consumer about the repairability, or lack thereof, of a product at the time of purchase and thus extend its life cycle and use.

Although, at present, the repairability index is only mandatory for the 5 afore-mentioned product categories, it will eventually be available for other product categories. There is a palpable need for the supplier to anticipate these changes and add this data in order to be in compliance, and for the distributor as well, who must provide this new information online as well as in-store, and possibly couple it with new search criteria. It is interesting to note that manufacturers and retailers are already taking a number of initiatives to comply with this law and offer a suitable display of product data. For example, Apple and Samsung began rating certain smartphones and computers in 2021 to reflect their degree of repairability. As for the chain stores, Darty has anticipated the arrival of this new score by publishing a barometer of the durability of the brands' products[50] based on the 2.5 million annual repairs it performs.

Also in France, another consequence of the Anti-Waste Law that can be noted is the product information that must be accessible to consumers: as of 2022, toy and cosmetics manufacturers will have to publish a list of products containing endocrine disruptors, which are molecules that interfere with our hormonal system. Manufacturers of products containing substances classified as endocrine disruptors will have to "make the data publicly available, and usable on the Internet, i.e. in open data, for the list of these products and the substances that each of them contains." This open format seeks to allow "collaborative platforms to use this information to better inform the consumer," according to the official text.

The changes in the data are sometimes due to the suppliers. A product that is organic and gluten-free, or to which an ingredient has been added (or removed), will have its product data modified. In the age of transparency and customer ratings on apps, some groups are not hesitating to change their recipes. Among the most ambitious projects in recent years comes from the French retailer Intermarché, which has modified nearly 900 recipes for its private label products since September 2019, for the purpose of improving the components in its recipes and banning 140 controversial additives. The retailer has significantly improved the Nutri-Score rating of its products as well as their ratings on consumer applications. And in terms of sales, there is a payoff to including the Nutri-score. As of 2019, Nielsen has noted a slight increase in sales of products rated A and B and a decline for those rated C and D, across 92,000 products.

[50] "FNAC Darty, champion de la réparabilité", Les Echos, 1er janvier 2021

This same desire exists among the food companies: concerned with making product data accessible on the Scan-Up application, the Michel et Augustin brand has collected and then retrieved data related to how to calculate the Eco-Score, a new environmental score similar to the Nutri-Score, designed to help consumers choose their food products using a new level of information... this time by giving them a score related to its environmental impact.

The Danone brand has thus obtained more accurate data because certain calculation factors, which were previously estimated, have been upgraded because the data has become more reliable and up-to-date, such as the origin of the ingredients. This update, which is time-consuming when it's not automated, must take the teams as little time as possible so they can then concentrate their efforts on high value-added tasks.

HOW THE ECO-SCORE IS CAPTIVATING EUROPE

Eco-Score calculé par ScanUp sur la base des informations transmises par Michel et Augustin via Alkemics

Lidl has announced it is testing the Eco-Score in Belgium, after launching a similar initiative in Germany and the Netherlands. Colruyt is also testing the Eco-Score at certain Belgian outlets. Last June, the European Commission registered a European Citizens' Initiative (ECI) calling for a "European Eco-Score." Its initiators are aiming for the million-signature threshold so that the European Commission will decide to present a legislative proposal on the matter. According to a study published in 2020 by The European Consumer Organization, half of European Union citizens would like to see the environmental impact of their food products indicated.

Beyond changes to the product information, the content is also evolving. The product pages for the ecommerce websites are no longer the same as they were a few years ago. They incorporate external content: consumers shopping experiences, service quality, prices, product reviews, and so on. But they also have more multimedia content (video, 360° views, etc.) to promote the brand experience and the emotion. The success of live streaming and of brands on social networks overall, is proof of this search for content enrichment that consumers are demanding. Beyond changes to the product information, the content is also evolving. The product pages for the e-commerce websites are no longer the same as they were a few years ago. They incorporate external content: consumers shopping experiences, service quality, prices, product reviews, and so on. But they also have more multimedia content (video, 360° views, etc.) to promote the brand experience and the emotion. The success of live streaming and of brands on social networks overall, is proof of this search for content enrichment that consumers are demanding.

The trend will continue during the coming years. The right information, at the right time, about the desired product will be in demand by the consumer.

Consumers today want delivery quickly and their available options are part of the purchasing parameters. To address this issue, Google will state the shipping and return policies (price, deadlines, etc.) on the product information sheets for items sold on its platform. Objective: to help customers choose and increase online sales in the run-up to the holiday season.

CONCLUSION

PRODUCT INFORMATION IN THE AGE OF NEW SALES CHANNELS

Whether online marketplaces, direct-to-consumer or social media, an updated and relevant product catalog is the dream of every retailer who sells online and wants to innovate in ecommerce, regardless of the channel used.

What are the choices a brand must make today when it wants to sell online? It can of course go down the “traditional path”: selling its products indirectly, i.e. on a distributor’s e-commerce website. This implies excellent collaboration between suppliers and distributors, fluid sharing of product data, high quality information and automated and optimized updating of this data.

Data updating is all the more essential at a time when sales channels are multiplying. A brand or supplier may turn to the marketplace model as a way to access new consumers, while retailers see it as an opportunity to expand their offerings. Following the example of the pioneering Amazon, Darty and Cdiscount along with Nature & Découvertes and BHV and others, have been trying their luck in recent months. Maisons du Monde, the specialized high-tech retailer Ubaldi and even La Poste now have their own marketplaces. Using this channel requires compliance with different product page standards.

Even large food retailers are being won over by this model, whose complete catalog allows them to maintain a serious competitive edge… or to hunt on the lands of the large traditional marketplaces like Amazon. Perhaps spurred on by the crisis, Carrefour launched its food marketplace in June 2020, with a target of 100,000 items.

Social networking sites also hope to become a sales channel in their own right and offer a battery of innovative features to convince brands to present and sell their products there. They can then offer an experiential dimension to consumers who are connected and fond of new technologies: visual search, live, virtual fitting, etc. The brand experience is crucial.

Driven by the need to reinvent themselves, retailers are also offering advanced technologies to improve conversion rates. The home sector has been particularly prolific in the last few years and merchants have gradually implemented these features on their own ecommerce sites. The Ikea app allows you to view multiple pieces of furniture and accessories in augmented reality at the same time. Cdiscount offers a virtual showroom that models its offerings in real-life situations. In a virtual space that corresponds to a house, internet users can project the furniture and equipment sold on the site, access the product page at any time, and add the product of their choosing to the cart.

Another trend that preceded the health crisis but which has become more pronounced in recent months is the virtual trying on of cosmetic products. Google has been making a new complimentary feature available to the brands since winter 2020, which allows users to virtually try on makeup items. Brands are following suit, aware of the impact that technology has on sales, and are also seeing it, for example, as a way to limit return rates for a color error. Essie has launched a virtual nail polish try-on feature directly on the web, which is accessible from a smartphone or computer. Chanel has released Lipscanner, an augmented reality app for lipstick.

These brands are also inclined to adopt direct sales to consumers. The direct-to-consumer trend, whose tools the DNVBs (Digital Native Vertical Brands) have mastered particularly well, is attracting more and more so-called traditional brands.

The proliferation and diversification of sales channels makes it essential to centralize product data in one place. A unique product catalog, where the product data is enriched so as to be adapted and optimized to each channel but where errors can also be simultaneously corrected. The proliferation of channels and contact points between a brand and a consumer, especially online, makes it complex to update product data. This is compounded by the specificity of each channel. A product photo designed for a product web page is not necessarily the same as the one featured on a mobile app.

This complexity is not moreover a constraint, but is rather a tremendous opportunity: it can be resolved by a powerful and automated product information management solution that updates the data on all the new channels.