

Cross Channel Retail - Opportunities

and Risk



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www.hervis.at

get movin'

HERVIS Sports

- **SPAR**

- The biggest food retailer in Austria
- Shopping Center developer through SES (Spar European Shopping Centers)
- Present in six countries (Austria, Hungary, Slovenia, Czech Republic, Italy, Croatia)
- Turn over 12 billion € in 2012

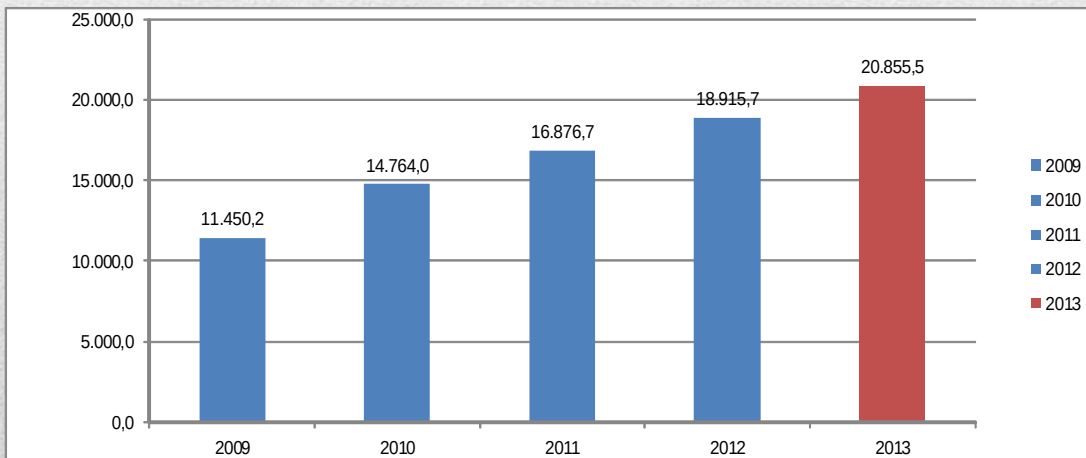
- **HERVIS Group**

- 182 stores in seven countries (Austria, Hungary, Slovenia, Czech Republic, Croatia, Romania, Germany)
- Turn Over of 450 million € in 2012

HERVIS Romania



- Since 2007
- 13 stores in 2013 / 10 cities
- Turn over of 18,9 million € in 2012
- Turn Over evolution:



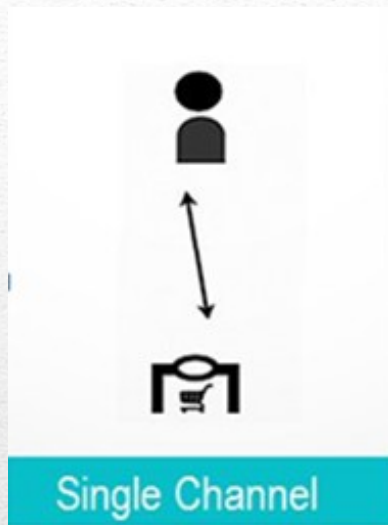


Cross Channel Retail - Opportunities and Risk

Facts

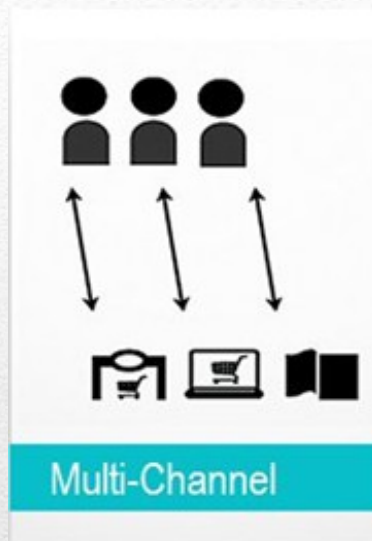
- New economical environment => overall sales in retail have fallen BUT online sales have increased
- Today 7% in average of the whole retail sales are generated online (UK, D, F over the average)
- European Online Sales will double to € 330 billion, by 2018.
- The biggest European online only retailer- Zalando has doubled his turn over in 2012 up to € 1,15 billion with a loss of € 80 million.

Facts



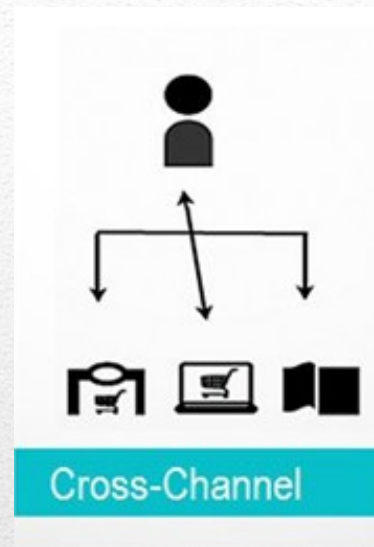
Client - only one contact point

Retailer – only one possibility to communicate with the client



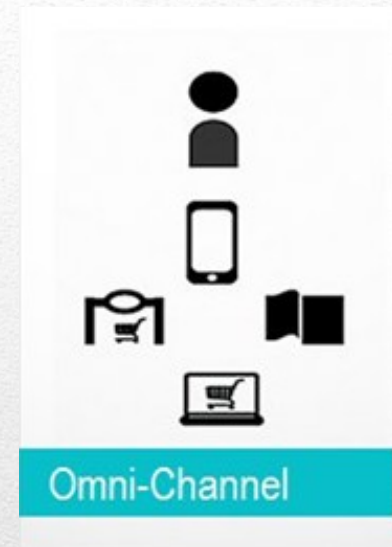
Client – different and independent contact points

Retailer – all channels are managed independent one from another



Client – is getting in contact with a brand not with an channel ; can jump from a channel to another

Retailer – sees one client but still managing it separately



Client – has different contact points to the brand who are melting to one touch point

Retailer – only one view about the client

Cross Channel Requirements



Changes in the store

- Web access points in all stores => access for all customers via their own devices or through in-store terminals (in-store order point)
- New structure of the store – defining new areas in the store

New websites concept:

- connecting the online stores with the brick and mortar stores
- Optimized for mobile devices (smart phones/ tablets)

MUST HAVES in Cross Channel Retailing



Buy online – pick up in store

- Customers benefits:
 - Possibility to search online the products
 - Choose when to finalize the purchase
 - Cost efficient => no transport costs
 - Still have the chance to touch the product
- Retailer opportunities`:
 - Generate more traffic in store
 - Improves customers experience
 - Customers exposed to in-store merchandising and special offers



MUST HAVES in Cross Channel Retailing



Buy online – return to store

- Customers benefits: They get the refund faster
- Retailers opportunities: Interact with the customers => chance for upselling

MUST HAVES in Cross Channel Retailing

Out of Stock fulfillment – prevent loss of sales due to out of stock items



- Better inventory management
- Full price sale
- Happy customer

Outcome

Generally we can speak about:

- Improved store level economics
- Increase of sales productivity
- Better leverage both in-store and warehouse inventories



Trends ?

- Part of the turn over from the brick and mortar stores will be generate via different channels => TO rents will be lower
- Demand for retail space will be lower (retailers will look for smaller surfaces) => high impact on existing and future developments
- Traditional retailers will be for sure present on all channels





HERVIS Goes Cross Channel

HERVIS Goes Cross Channel

Starting with November 2013 in more than 100 stores Europe-wide, Hervis will offer the cross channel experience:

- In store Pick up zone
- In store Order zone / web access trough mobile devices
- In store return
- QR codes
- RFID
- New website compatible also with mobile devices
- New online brand stores

Future Store – Wien Mitte <http://www.youtube.com/watch?v=vfSN6WFkitE>

Thank you !

