



THE RISE & RISE OF E-COMMERCE

Kirsten Tisdale
24 June 2010

MEET DEREK



Tel: 01295 758875



www.aricia.ltd.uk



lateral and logistical thinking

SSI SCHAEFER

Image from Aricia Limited

BEFORE E-COMMERCE



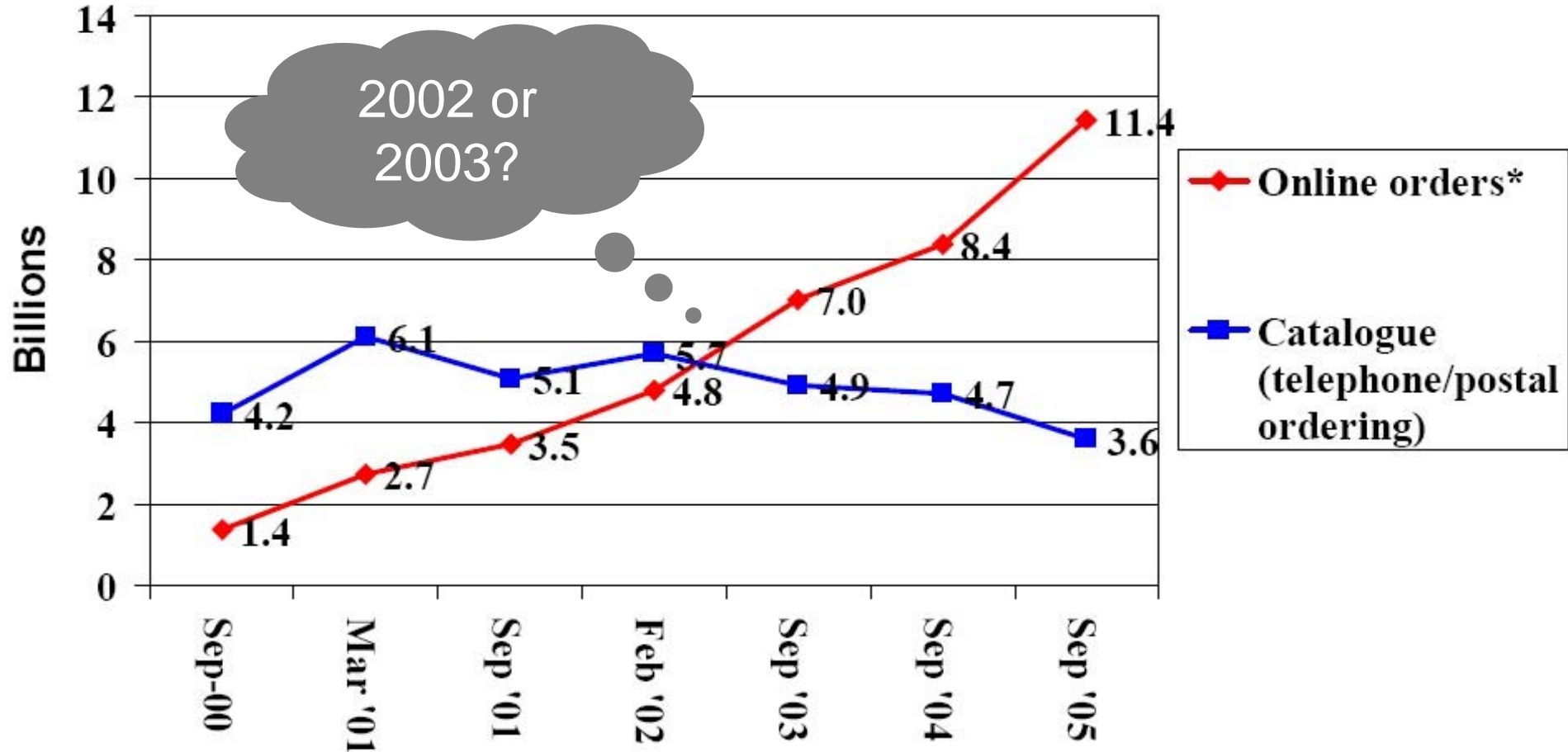
- > Mail order, with ordering by post, agents and telephone

- > Issues included:
 - > Catalogue production & distribution
 - > Quality
 - > Accuracy
 - > Availability
 - > Fraud avoidance
 - > Singles picking
 - > Order consolidation
 - > Packing
 - > Delivery
 - > Returns



E-COMMERCE TAKES OVER

Market Value by Purchase Channel



THE RISE OF BROADBAND

B B C NEWS

You are in: **Technology**

News Front Page

World

UK

England

N Ireland

Scotland

Wales

Politics

Business

Entertainment

Science/Nature

Technology

Health

Education

Talking Point

Tuesday 19 November, 2002, 13:46 GMT

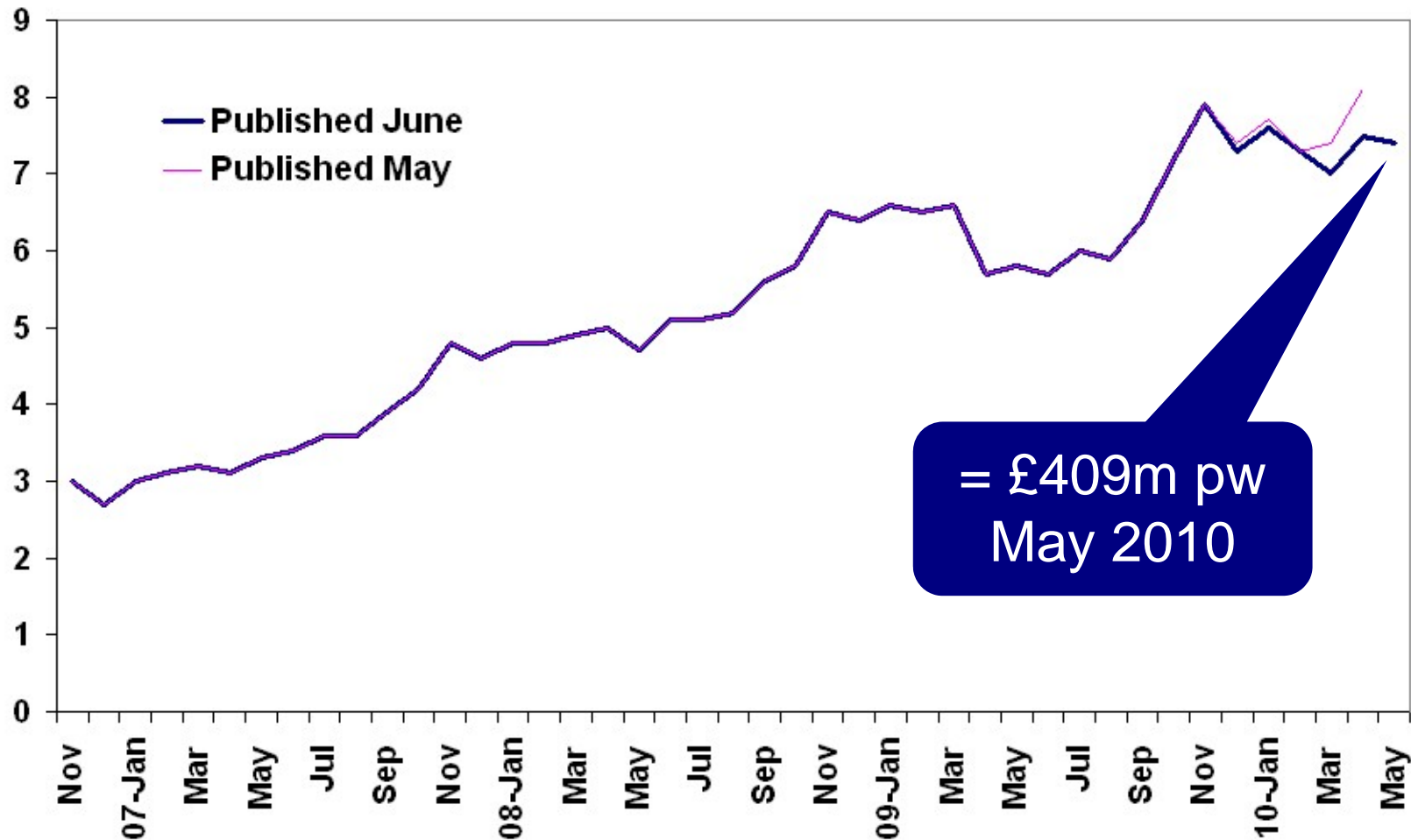
Blair pledges to kick-start broadband



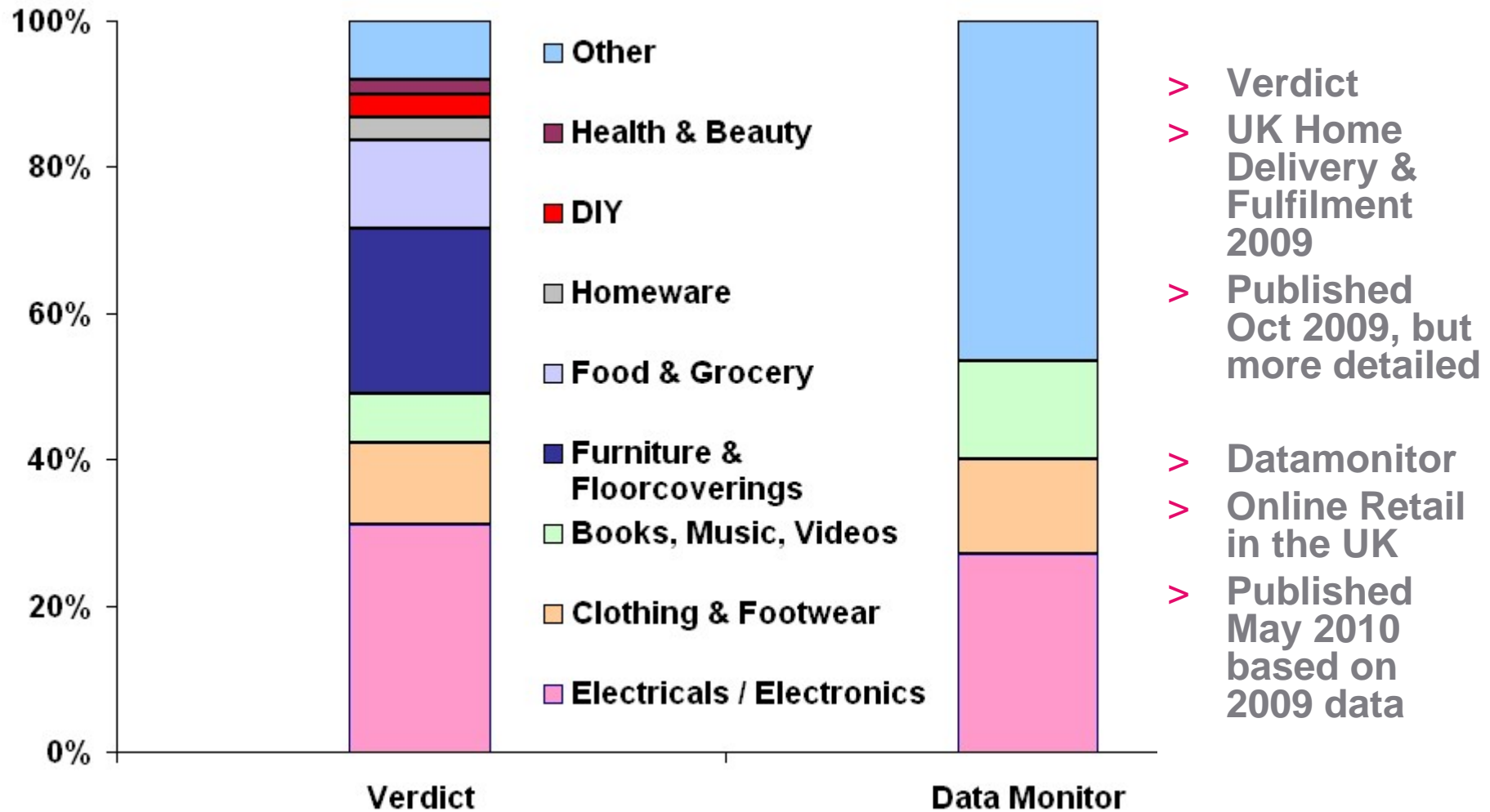
Tony Blair is keen to promote internet use



INTERNET AS % OF RETAIL SALES



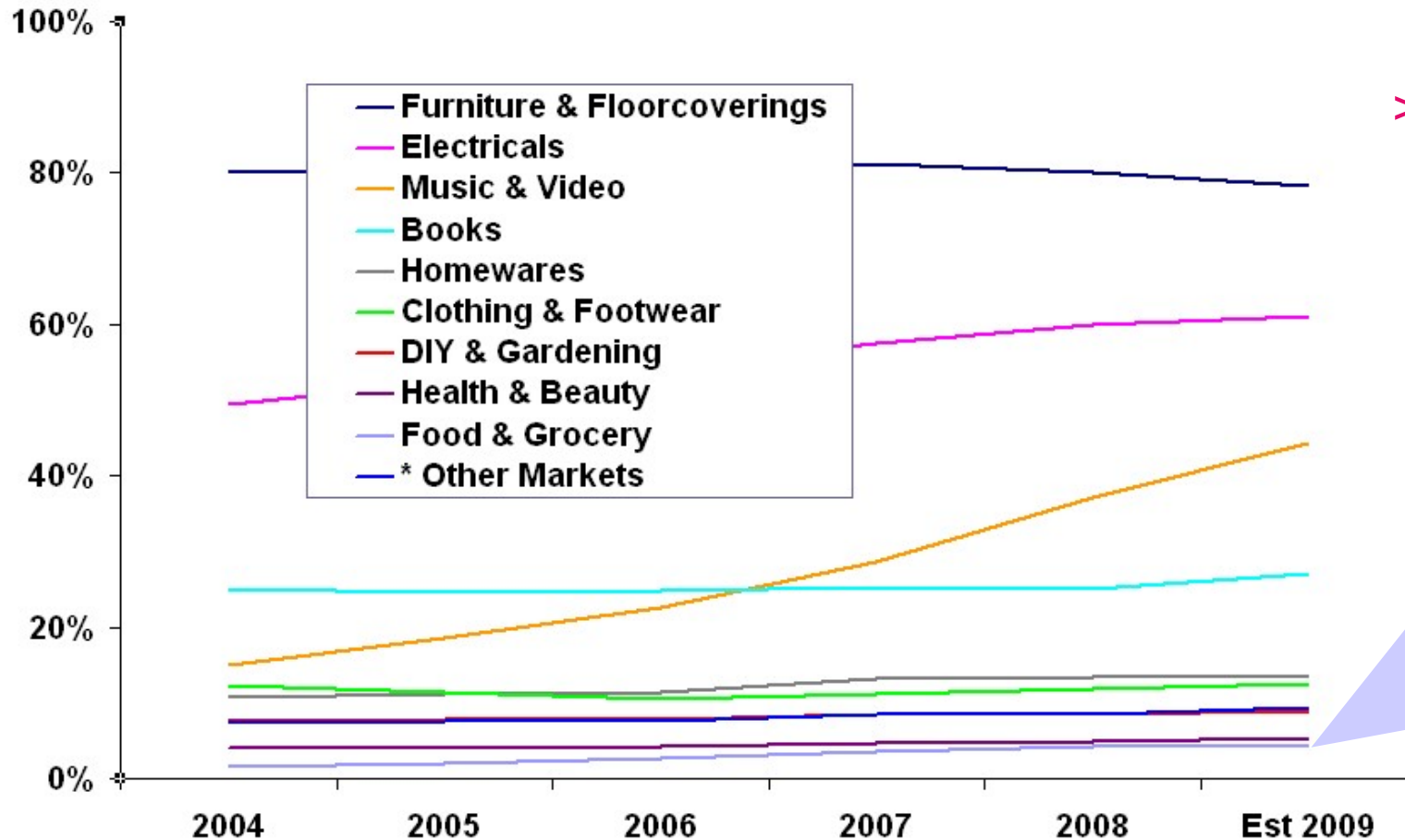
SECTOR SPLIT



- > Verdict
- > UK Home Delivery & Fulfilment 2009
- > Published Oct 2009, but more detailed
- > Datamonitor
- > Online Retail in the UK
- > Published May 2010 based on 2009 data



MARKET PENETRATION AS % OF SPENDING



> Verdict: UK Home Delivery & Fulfilment 2009

Grocery is growing 50% faster than other e-shopping
IMRG/BPS
28 April
2010



SMALL CAN BE BEAUTIFUL



FAST TRACK
in association with **THE SUNDAY TIMES**

Home | About us | Nominate a company | Sponsorship |

League tables
Tech Track 100

2009 Fast Track 100
Rank: 6 Mattressman

> And very fast-growing

Company facts

Mattressman

Mattress retailer

Company website

Sales growth 173.60% pa

2008 sales €8.7m

2005 sales *£0.4m

2008 staff 44

Founded 2004

Location of HQ Norwich

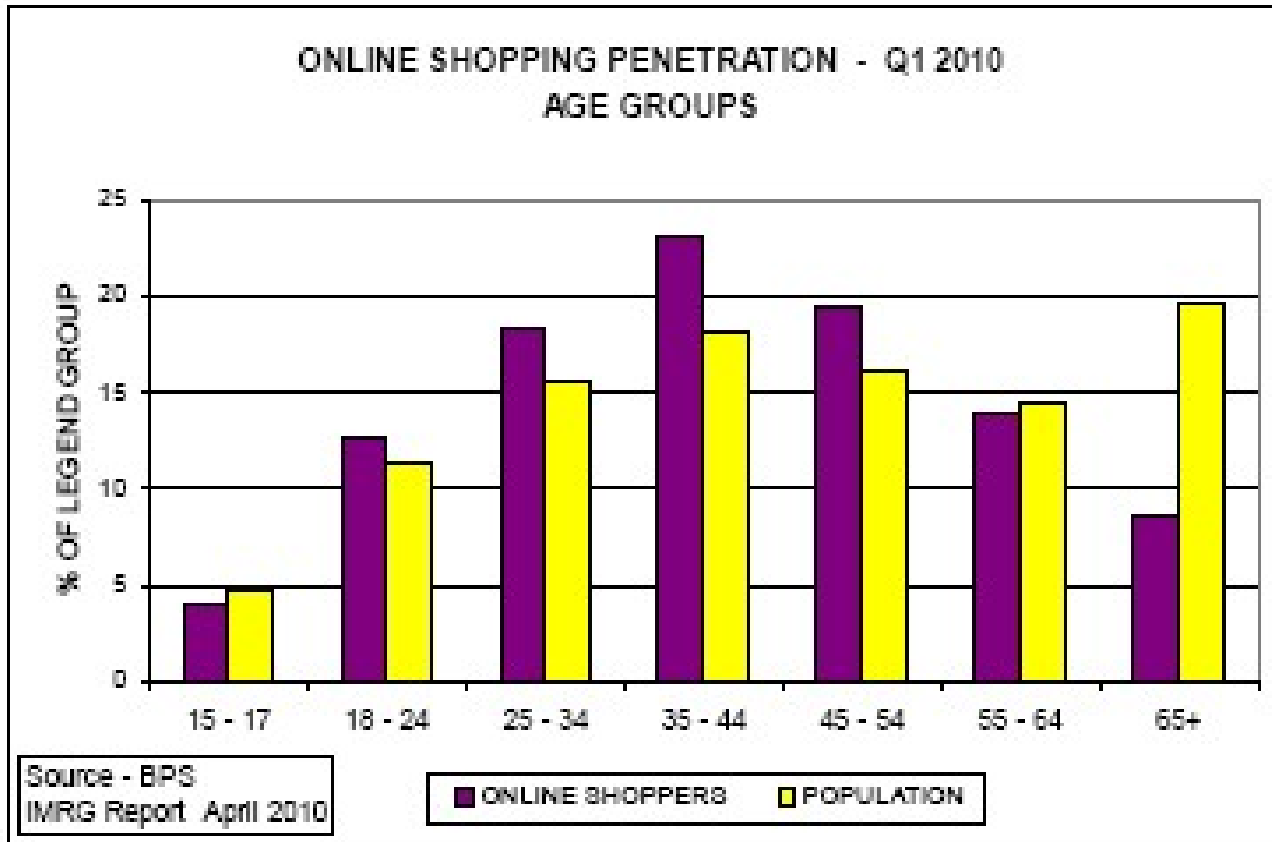
If applicable:

* = annualised figures

‡ = unaudited accounts



DEMOGRAPHICS

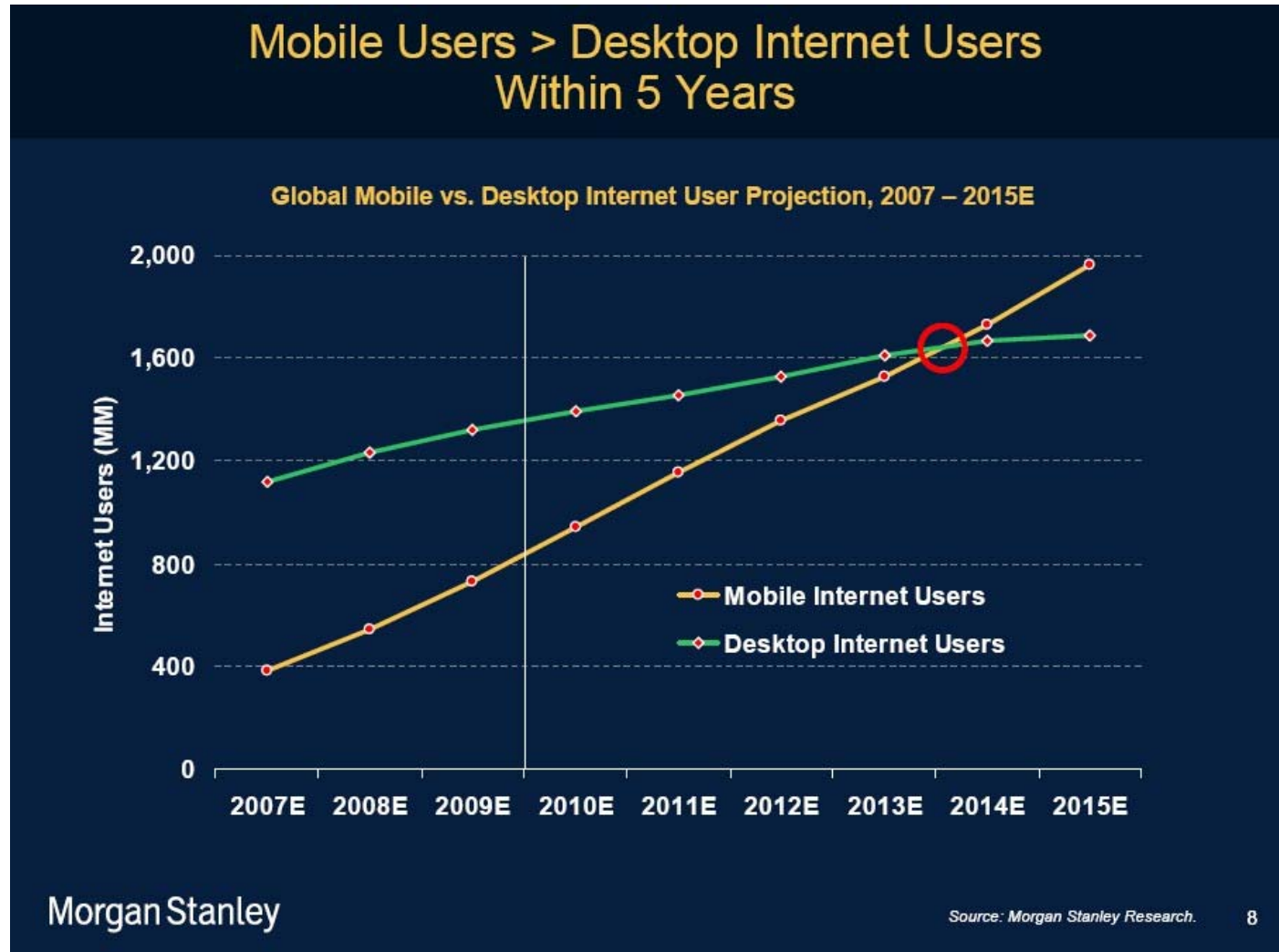


- > >51% of British adults have shopped online in the last 3 months
- > Men = 50.22% of online shoppers
- > But 48.52% of the adult population
- > 13% of internet users have access via mobile devices...



M-COMMERCE

- > ...and it is only going to be 3 or 4 years before mobile takes over



LOGISTICS PERSPECTIVES



From **£2.75** per week

£55.00 **Littlewoods**

- > Three themes:
 - > Peaking
 - > Returns
 - > Location

- > Not going to cover:
 - > Warehouse equipment
 - > Deliveries
 - > Systems
 - > ...and so much else



PEAKING - THE 4TH QUARTER



- > iForce – 2009
- > 4,782,192 orders
- > 2,306,052 in Q4
- > = 48% of the year

- > Figures from MHW online article dated 28 Jan 2010



PEAKING - MONDAYS & MEGA-MONDAYS

- > Monday's have always been peak for orders
- > Mega Monday
- > Amazon.co.uk
- > 7 Dec 2009
- > Orders for 2m items
- > 23 items per second
- > Truck leaving an Amazon DC every 4 minutes and 19 seconds
- > Figures from Amazon press release dated 26 Dec 2009

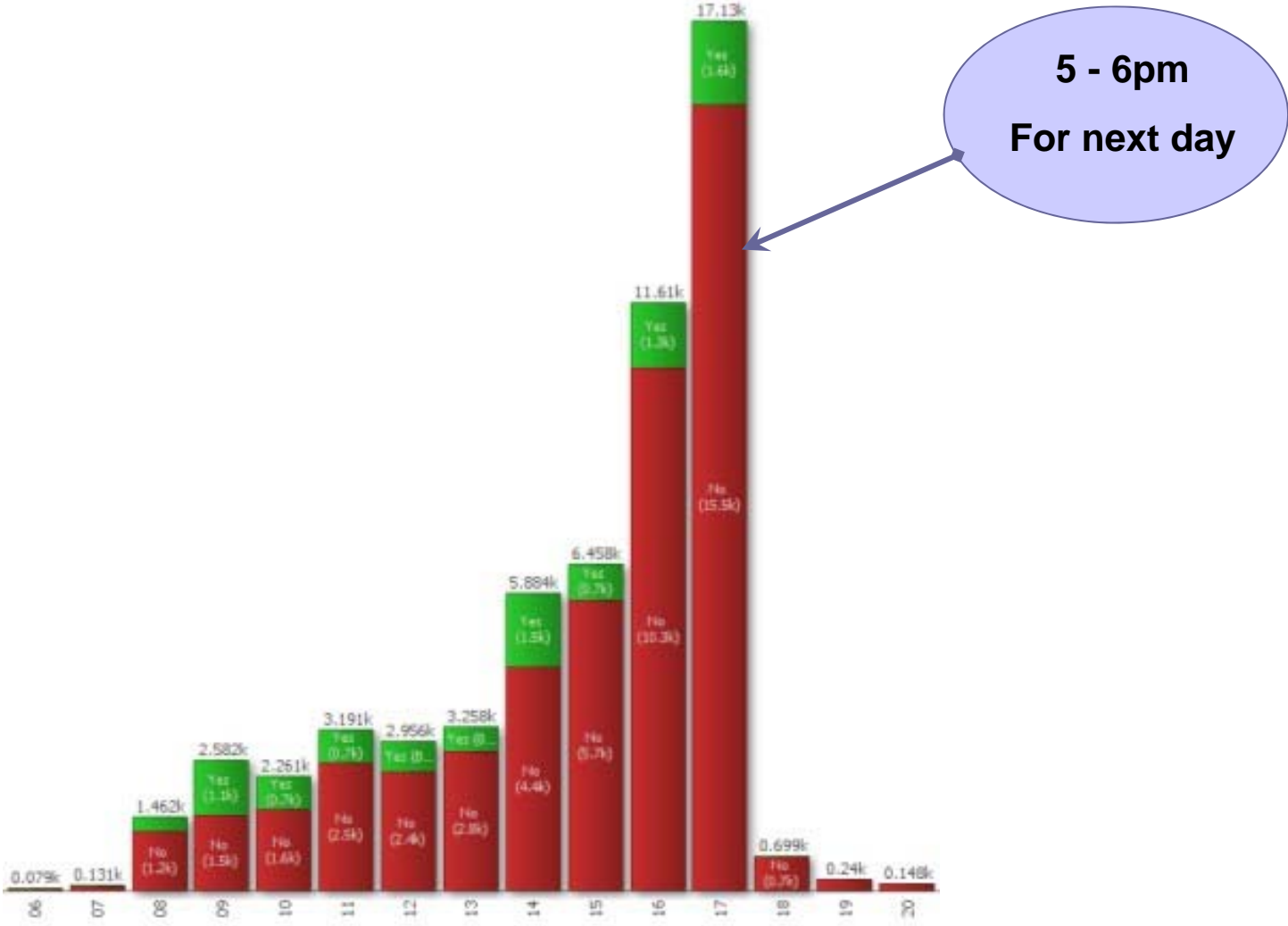


ORDER CUT-OFF



Image from Snow Valley eCommerce Retail Delivery Report 2010 <http://www.snowvalley.com>

B2B ORDER RELEASE

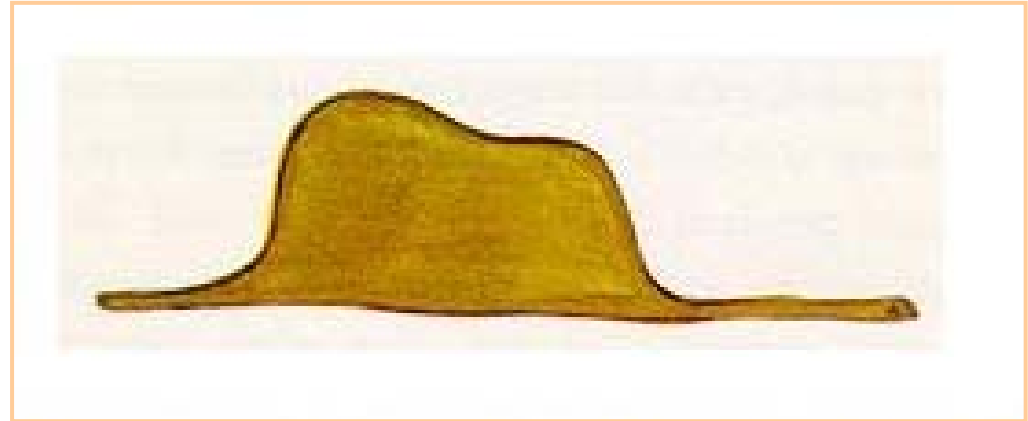


5 - 6pm
For next day

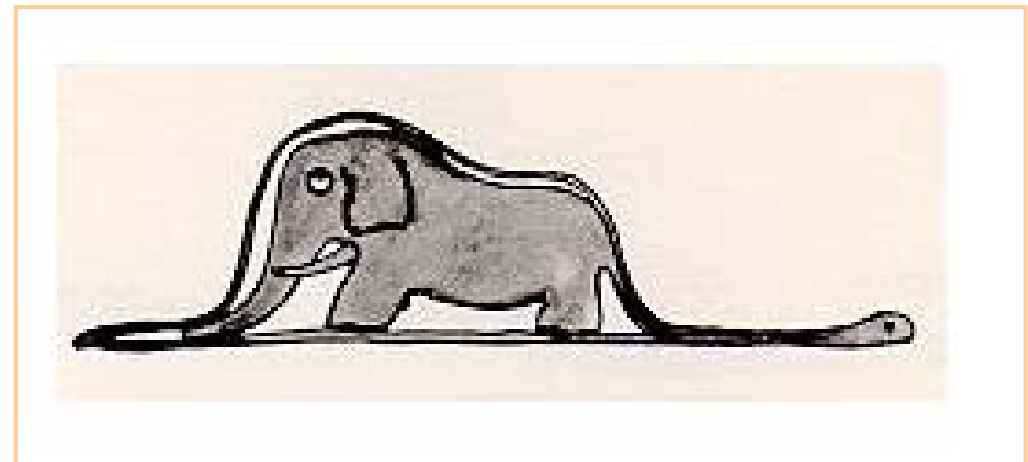


PEAKING

- > The 4th quarter
- > Mondays & Mega-Mondays
- > Order cut-off



- > “A pig in a python”



RETURNS



- > iForce – 2009
- > 4,782,192 orders
- > 18,772,153 items
- > 3,355,899 returns
- > = nearly 18% by item
- > = returns from 7 out of 10 orders

- > Figures from MHW online article dated 28 Jan 2010



LOCATION

- > Mail-order often based NW
- > Located near / in mills
- > Serves whole UK easily
- > B2B parcels carriers often in midlands
- > Better access to N European hubs



LOCATION, LOCATION

PropertyWeek.com

NEWS DATA PROFESSIONAL COMMENT MULTIMEDIA

Prologis in talks with Asos

21 May 2010

Print Email Share Comment

Asos, the online fashion retailer, is in talks with Prologis about leasing a 530,000 sq ft distribution facility in Barnsley, South Yorkshire



aricia
acumen, analysis and agility

Tel: 01295 758875



www.aricia.ltd.uk

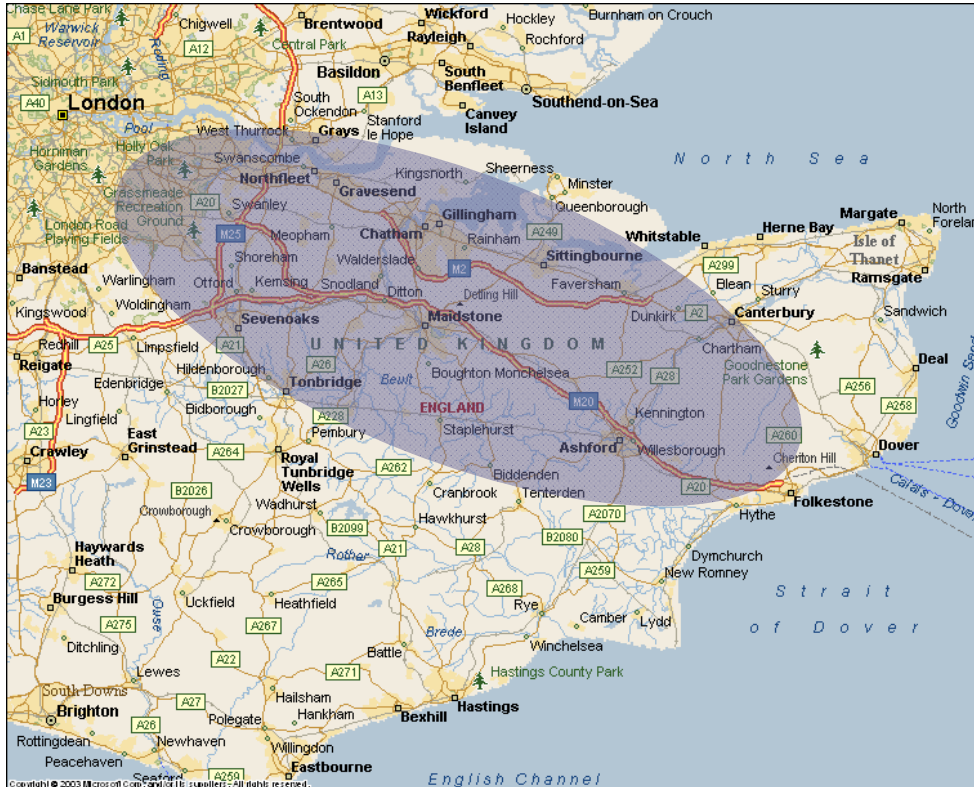


lateral and logistical thinking

SSI SCHAEFER

Images from <http://www.propertyweek.com/prologis-in-talks-with-asos/3163765.article> and Aricia Limited

LOCATION, LOCATION, LOCATION



- > For local deliveries, catchment is key
- > Tesco Dotcom, Aylesford covers approx 45 minute drive-time



WHAT DO E-TAILERS NEED?

- > Happy customers, profit and a growing business
- > Right goods, quantity, place, time, condition & cost
- > Enough?
- > No, there's also easiness and attitude...
- > **The right customer experience**



THE FINAL MILE

- > ...and the final slide!
- > Thank you
- > Any questions?

