



Food Retail Transformation with Google Cloud

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Google Cloud





Agenda

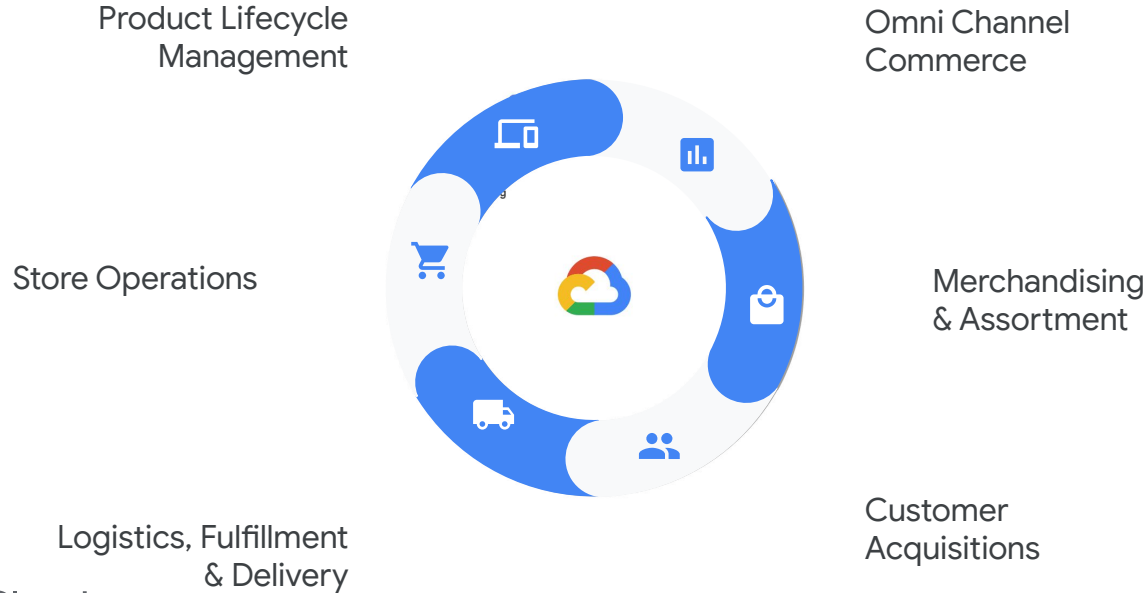
- 01 Business & Organisatie update
- 02 Google Cloud Food Retail oplossingen
- 03 Ecommerce: the Challenges & Opportunities
- 04 Thank You & Next Steps

Alphabet

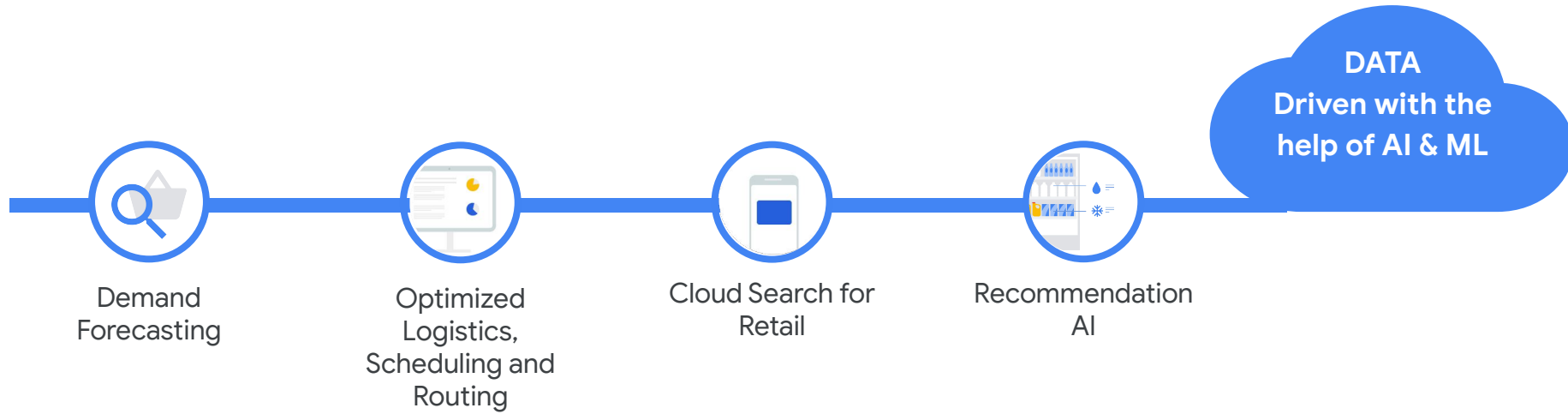
 Google Ventures Venture & capital funding	 Calico Longevity Research	 Google X Innovation Lab & Research
 Verily Improving Quality of Life	 DeepMind Artificial Intelligence & Machine Learning	 SideWalk Labs Solving Big Urban Problems
 Waymo Self Driving Vehicles	 Google Fiber High Speed Internet Services	 Jigsaw Online Global Security Solutions
 Loon Flight Connection		

		
 Search Advertising SEM	 Google Cloud Cloud Services, G Suite	 Maps Mapping, Location Services & Logistics
 Google Marketing Platform Unified Ad Technology Stack	 Google Analytics 360 Suite Data Analytics Suite of Tools	 Android Mobile Operating System
 Hardware Pixel, Chromecast, Google Home, Daydream View	 YouTube Internet Video Service	 nest Connected Home Devices

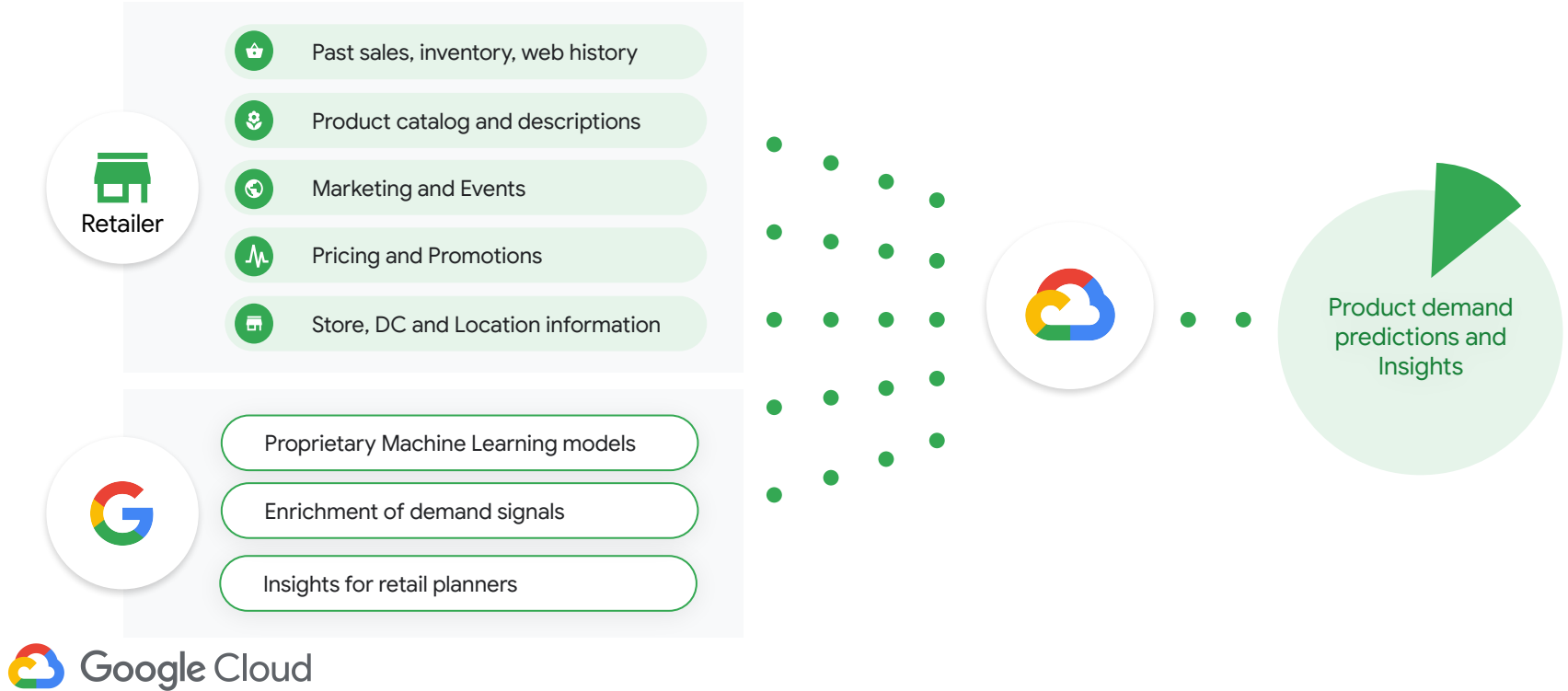
Retailers need to transform all areas of their business, powered by Google Cloud



How does Google Cloud help food retailers?



Demand forecasting



Optimized logistics, scheduling and routing: optimizing the last mile



Create **constraints and operational** twin that models a real world scenario



Enable **efficient optimization** that creates the optimal route for a given KPI and time



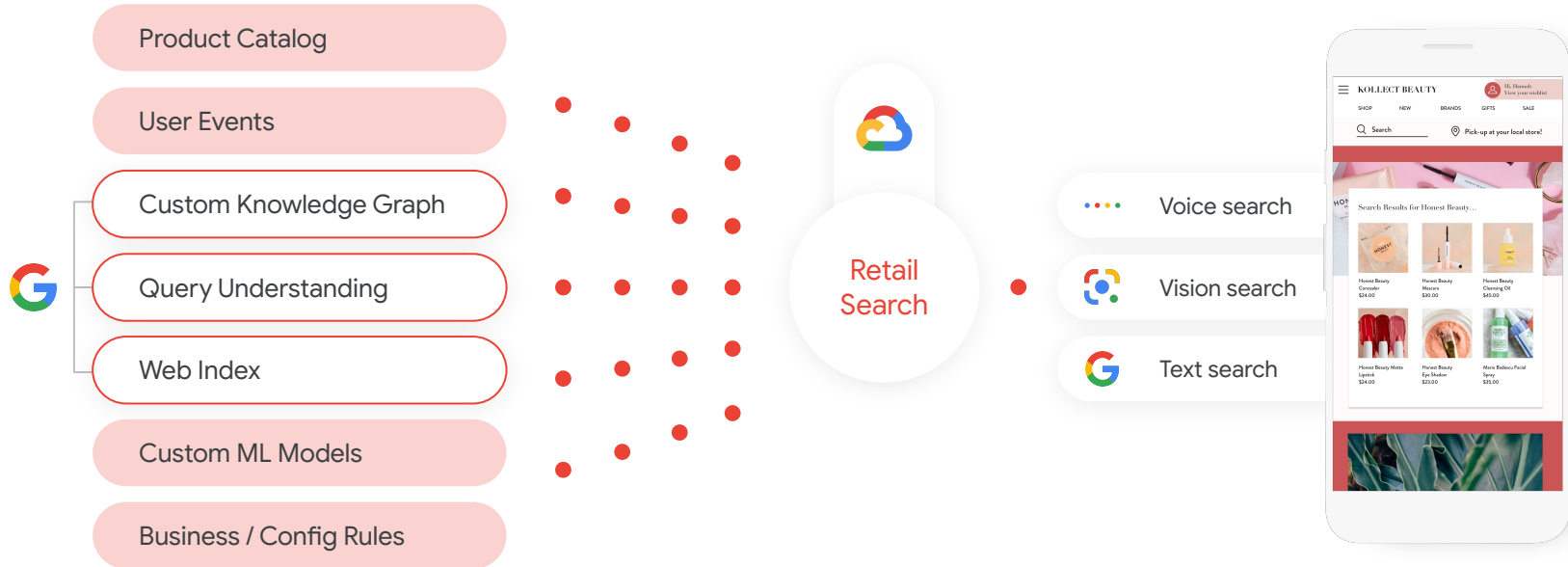
Infuse with **real-time and real world traffic** understanding, built on Google Maps



Consume **delivery and pick-up** optimal routes/schedules per vehicle



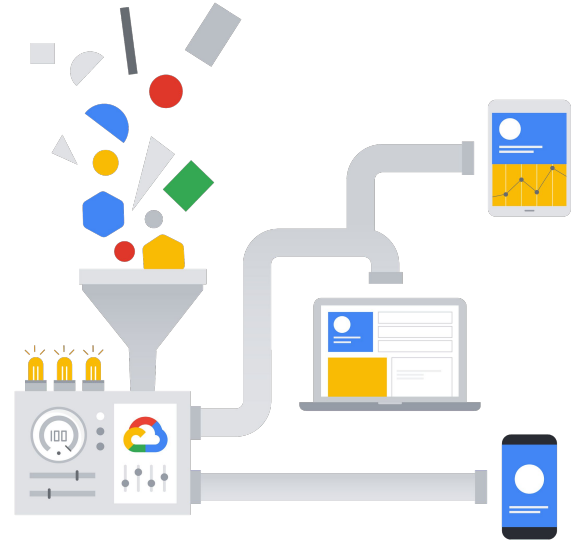
Cloud search for retail: we can make products easy to find



Recommendation AI for retail

“Over the next 5 years... personalization will push a revenue shift of some \$800 billion to the 15% of companies that get it right.”

BCG, 2020



Google Cloud brings best-in-class recommendations expertise used by billions of people across the world



Search



Videos



Apps



Music



Maps



Shopping

Recommendations A.I.

1. Choose your type

Recommended for you

Other items you may like

Frequently bought together

Shopping cart/registry expansion

Recently viewed

2. Define your objective

Click-thru rate

Conversion rate

Revenue per session

3. Fine-tune results

Filter out-of-stock items

Filter duplicate items

Filter by custom and/or/not rules

Turning diversification on/off

Personalization on/off

Price re-ranking on/off

Historically, French adoption rates for online grocery has exceeded the United States

2019 data shows that the US rates are closing on FR rates

5.1 %

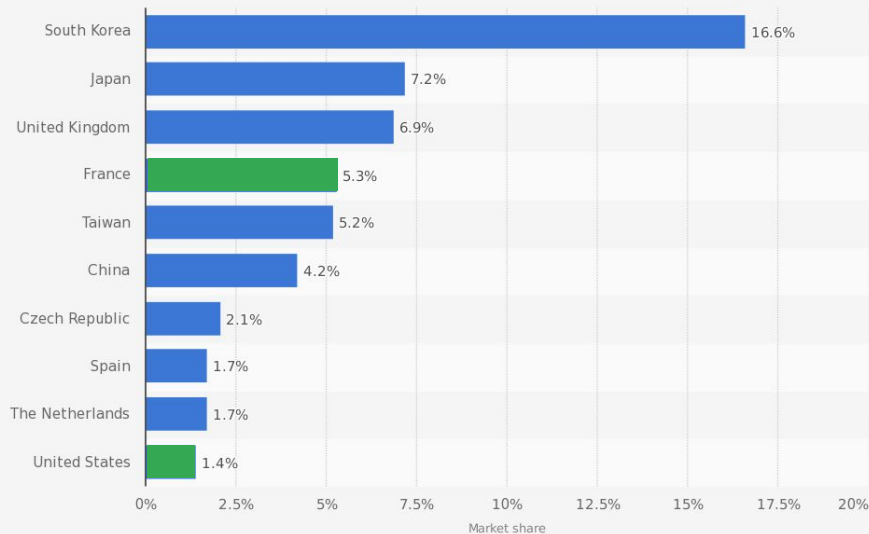
United States

VS

7.1 %

France

Online grocery market share worldwide in 2016, by country



Source
Kantar Worldpanel
© Statista 2018

Additional Information:
Worldwide; Kantar Worldpanel; 2016

Ecommerce - Competition / new players

- 01 AMAZON: 3% market share and growing (started in 2020)
- 02 Picnic: 12% and growing slow (1%)
- 03 Jumbo: 33% (growth 2% year over year)
- 04 HelloFresh 12% (van 5% vorig jaar)
- 05 Albert Heijn: 60% (growth 3% year over year)

Ecommerce - Food Retail challenges

- 01 Pick in store: additional cost of labour
- 02 Last mile fulfillment: additional fleet costs, fuel, resources, route optimization
- 03 Tech infrastructure (implementation, running & maintenance)
- 04 Basket size & cross sell

Ecommerce - Food Retail opportunities

- 01 Co-branding
- 02 Click & Collect
- 03 Dark stores
- 04 Outsourcing (bijvoorbeeld Instacart)



That's a wrap.

Google Cloud

Top retailers on a journey with Google Cloud

Food / Drug / Mass



Speciality / Department Stores



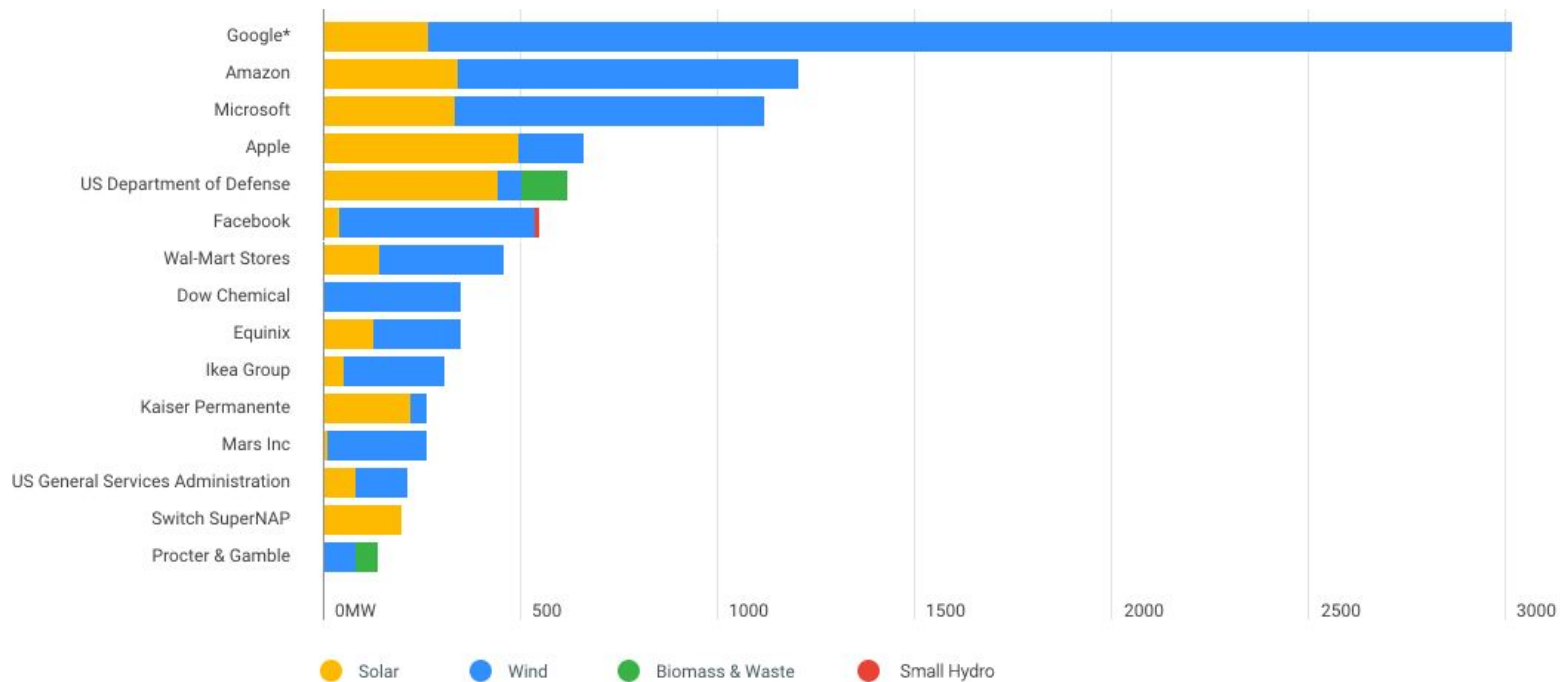
Big Box / Category Killers



Online Pure Play



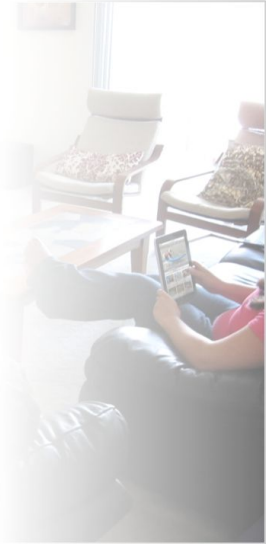
Google sustainability



Source: Bloomberg New Energy Finance

Consumers are Constantly Connected

TV



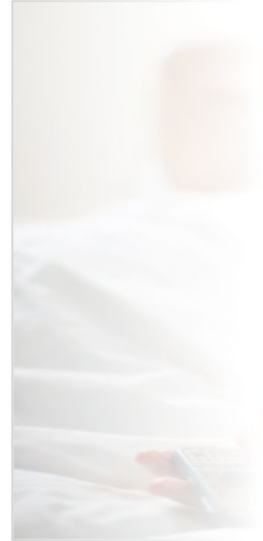
66% of smartphone users
use their phone while watching TV

Bedtime



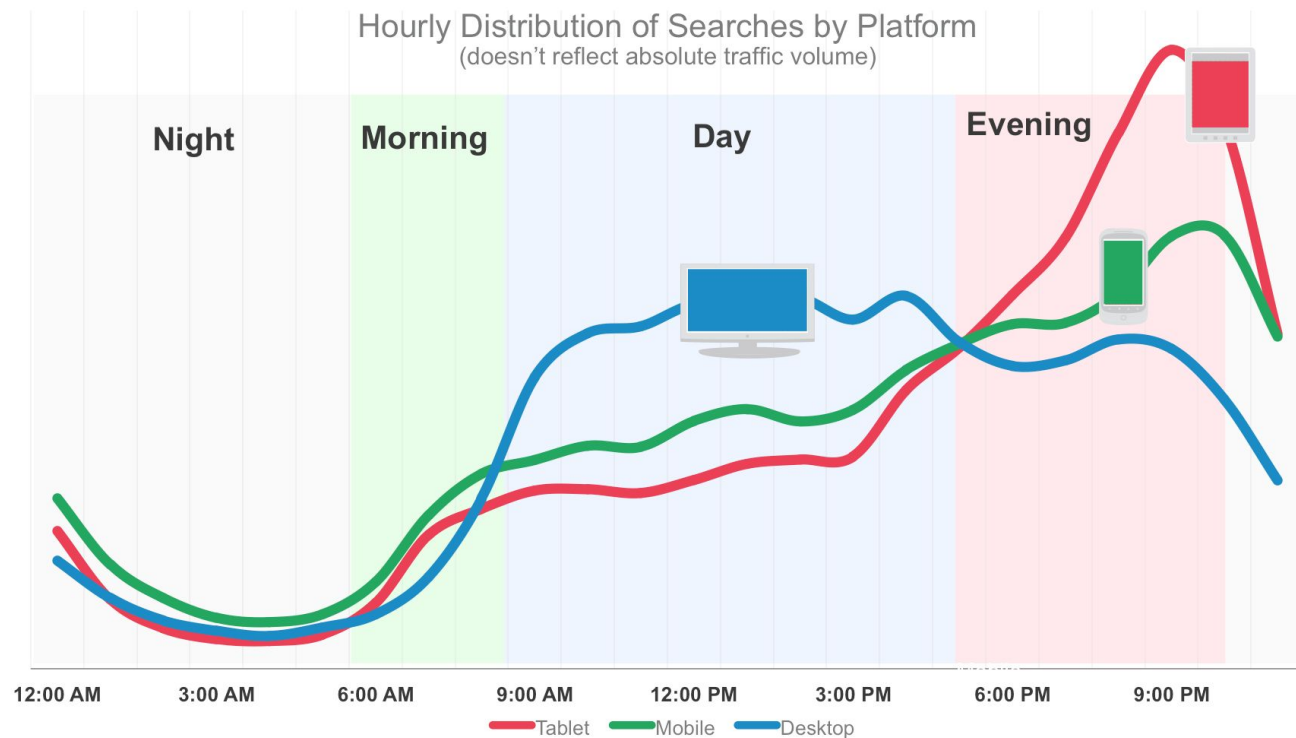
66% of smartphone users
sleep next to their phones

Bed



66% of smartphone users
sleep next to their phones

A Time and Place for Each Device



- Source: Google Internal Data, 2011. % of each platform's traffic shown hourly for one day.
- Does not indicate absolute or relative traffic volumes.

They Want Shopping To Be...

#1: TRANSPARENT



Information is everywhere. Retailers are beginning to make it easier for consumers to find what they need where and when they need it.

#2: FRICTIONLESS



Convenience is king. Speed and immediacy are competing with lowest price. Retailers should be focused on bringing the best of the web to the store.

#3: EXTRAORDINARY



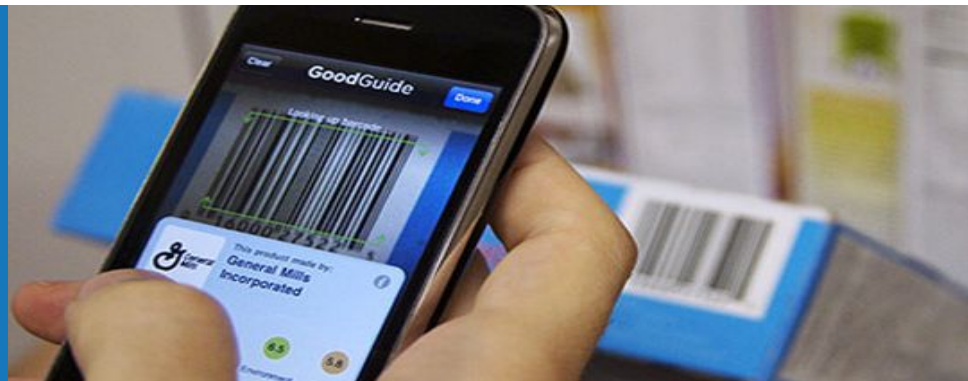
Extraordinary is the new ordinary. Agile businesses are cutting through the digital clutter and creating personalized solutions

Informative

#1

TRANSPARENCY & THE RISE OF MOBILE

Wherever you are, ratings, reviews and competitive prices are just a click away



55% of smartphone

owners use their device to compare
prices while in a store



4 – 7 reviews

are read before consumers report feeling
comfortable making a purchase

Convenient

#2

FRICITIONLESS COMMERCE

Barriers between online/offline shopping have been significantly reduced



7 of Top 10

retailers allow customers to order online
and pick up in-store



6 of Top 10

retailers allow customers to check in-store
availability from mobile phones

Exceptional

#3

ORDINARY vs. EXTRAORDINARY

Endless choice, instant gratification and a seamless experience are expected



55% of consumers

expect free shipping when making a purchase on the web



38% of consumers

will abandon their shopping cart if shipping takes 8 days or more

LOGISTICS, SCHEDULING AND ROUTING

Optimizing the last mile



53% of total shipping cost is spent on last mile delivery¹

There are **1.5** delivery attempts made for every **1** delivery²

65% of consumers say they look up free-shipping thresholds before adding items to their online shopping carts³

39% of consumers expect two-day shipping to be free³

Nine cloud products with
one billion users

