



Why the Digital Consumer is a reality that can't be ignored

Tracey Gosling

Gosling Skein Innovation Group

"Lifting your business further"

Life has changed since 2008.....

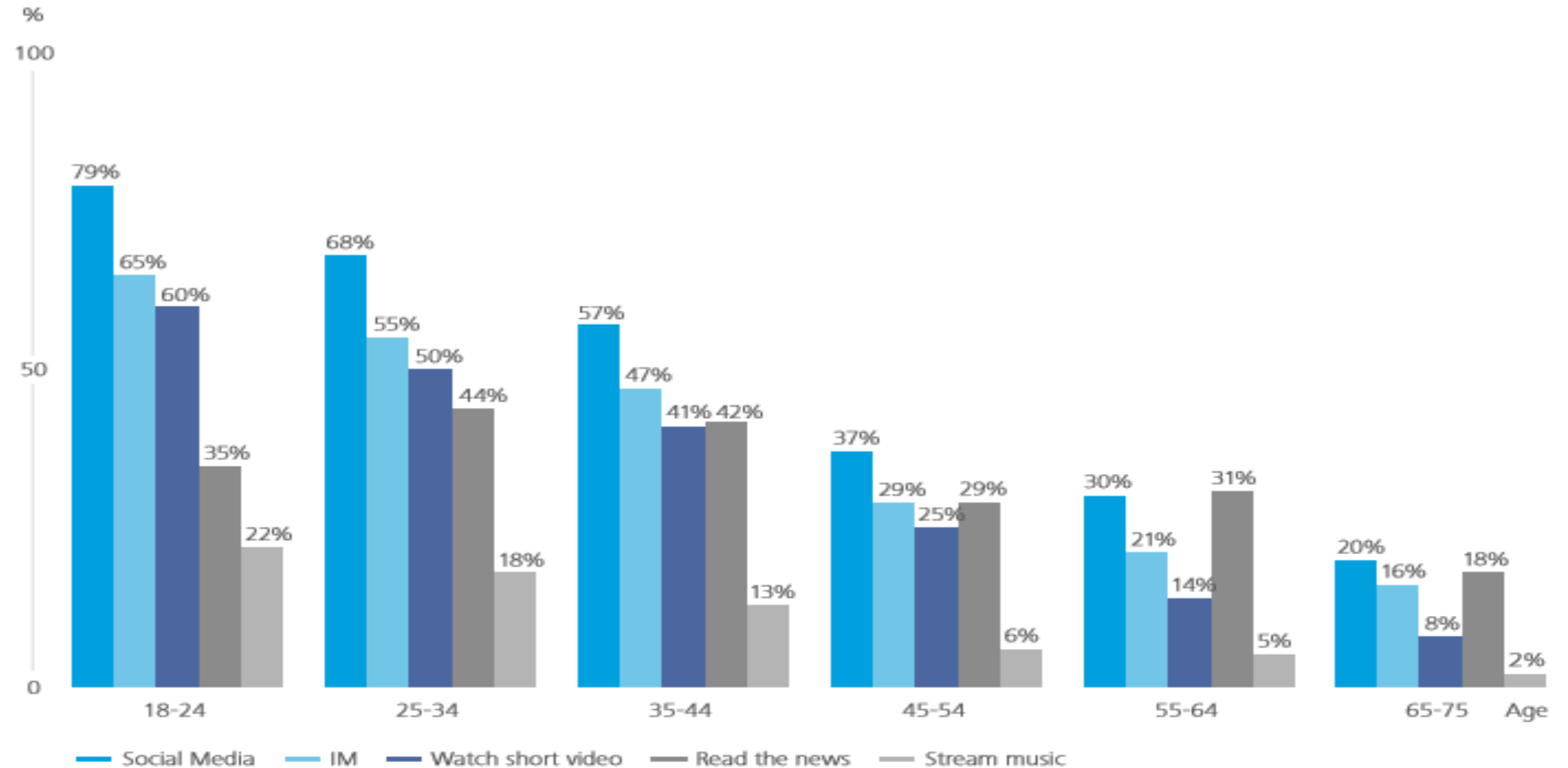
- Its a "Game of Phones" in Australia, now 15 million in use. 80% have one. (Deloitte 2015)
- 30% of us have smartTV's, 15% have fitness bands, 4% have smart watches
- Impact on AusPost (letters & parcels) and Retailers.
- We buy +\$20 bn of retail goods online every year.
- Why – because our lives are busy.... Don't waste my time (not money)
- China today +800mill internet users. Plan to connect 1.2 bn people by 2020



How Aussies interact

Deloitte Smartphone 2015 study

Q: Which of the following have you used in the last 7 days?



"Singles Day" 11th November 2015

Alibaba Group

Time & Sales (RMB\$)

18secs **\$100 mill**

1min 12sec **\$1 bn**

12mins **\$10 bn**

4hrs 26mins **\$32.6 bn**

7hrs 45mins **\$41.7 bn**

11hrs 50mins **\$57.1 bn**

17hrs 28mins **\$71.9 bn**

24hrs **\$91.2 bn**

\$18bn AUD 60% growth YoY

\$64bn of sales done using mobiles

95million people online

33% purchased international products

100 million deliver orders in 43 mins
and 467 mill delivery orders overall

Change in our expectations

- We expect that online self-service is available
- Retail shopping experience has changed
- How fast we expect deliveries
- Delivery options
- Alerting and notifications
- Changes in how we contract digitally
- Watching TV and ordering
- Getting jobs done from any location
- Don't you know me already?
Use my data to be smart. Save me time/effort.



CONSUMER EXPECTATIONS

The People Have Spoken

The gap between consumer expectation and retailer capability is growing. The future belongs to retailers who capitalise on this opportunity and turn shipping and fulfillment into a retail weapon.



The Importance of Shipping Options

Consumers expect multiple shipping options, but not everyone is offering them.



85% of consumers expect to see multiple shipping options, but only **54%** of Australian retailers are offering them

96% of consumers want to be able to easily track their deliveries online, but only **64%** of Australian retailers offer this!

Source: Temando, State of Shipping in 2016

Implications for logistics and retailers

- Expectation of track & trace technology
- Food quality and temperature control
- Expose data to end consumers
- Security
- Delivery assurance
- Great services, returns, exchange

Relies on

- Interoperability in the ecosystem
- Information standards
- Ecosystem = partnerships & collaborations to create value chains





Many examples exist
Farmers collaborate in
groups to supply
made to order meats