

# Online Discussion – 29th November

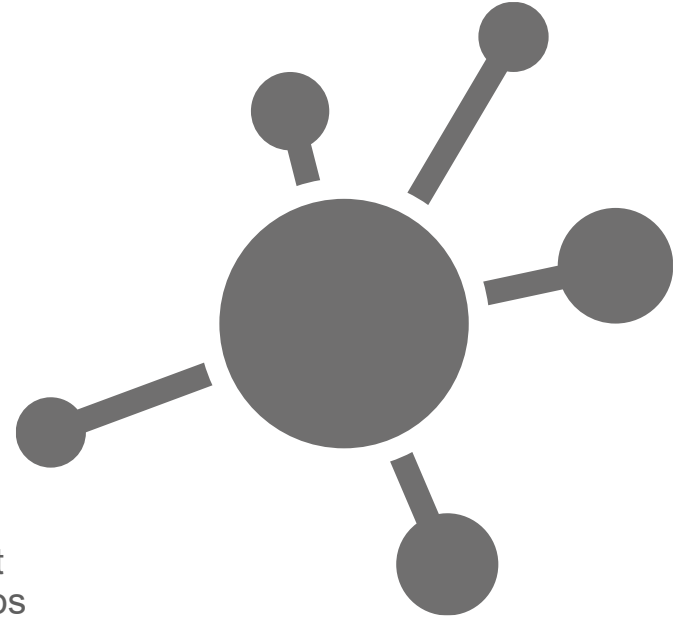
Jeremy Saunders



# Trading Online – Why?

# UK Traditional Electrical Wholesale Market

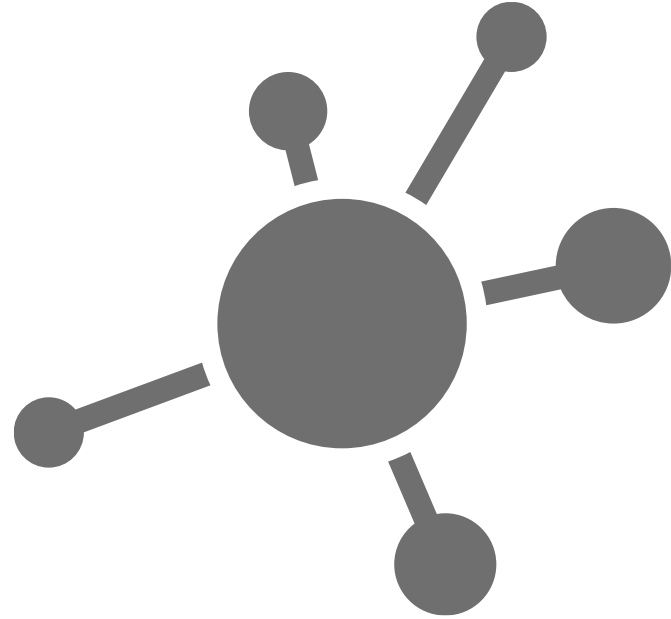
- As a collective, do we think our industry [the traditional electrical wholesale industry] is strong or weak?
- Are we a sitting duck or do you think we are in a strong place, well positioned, well placed and well prepared to stop it's potential demise from new entrants / new companies who enter our space?
- If you look at the digital ability of our industry there is no doubt that our industry is weak...! There is also a lack of strategic partnerships to make it stronger and harder to enter



# UK Traditional Electrical Wholesale Market

We have a two-fold problem...

1. The risk of course is new entrants, who see that our industry is very traditional, spot their opportunity and modernise what we do and do it better and start to take market share...  
the reality is this is already happening
2. Customers... generational change... what drives how they lead their lives and how they interact with society... technology...  
do people lead their lives the same way they did 25 years ago?



# Why Have An Online Digital Offer?

One question to consider...does your future success depend on how long you have been established for and does it matter whether you are an old or new company?

I wanted to share a list of companies, but before I do

- These companies all have 1 thing in common, they don't exist anymore in the same format they once did
- Basically they all failed but in their own different ways, at the end of the day its because they failed to keep pace with changing customer needs and didn't stay relevant with their product / offer
- They failed to diversify and modernise their business model, fundamentally a lack of long term vision or bravery to change



# 9 Global Companies That Failed To Modernise And Move With The Times

- **Kodak 1888-2012**... 124 year life span - dominant company, actually spent billions on R&D and invented the digital camera, but didn't want to change and wanted to carry on making film [high margin] and keep selling disposable cameras
- **Blockbuster Video 1985-2010**... 25 year life span...what went wrong...Video tapes became DVDs, no vision or plan on how to diversify their business model
- **Polaroid 1937-2001**....64 year life span, had very few competitors, but still managed to fail
- **Toys R Us 1957-2017**....60 year life span – but children toys haven't become irrelevant or gone out of fashion
- **Borders Bookshops 1971-2011**... 40 year life span, no idea why they failed [!]
- **Motorola 1928 to 2011**...invented the mobile phone, sold to Google \$12.5bn and then onto Lenovo \$3bn, mobile phones are still relevant, but let Apple, Samsung and Huawei steal the march
- **Nokia 1865 - 2014** sold their mobile phone division only, to focus on hardware after being the market leader from the late nineties on mobile phones for several years, didn't get into smart phones early enough
- **Blackberry [Research In Motion] 1984-2016**... 32 year life span, users dropped from 85m to 23m, hand held devices are still relevant, smart phones are still relevant, but failed to move with the times
- **Atari – 1983-1996**....only a 13 year life span, sold to a hardware company, gaming consoles / video games are still relevant today 25 years on

**Kodak**



**Polaroid**



**BORDERS**

*Beyond Books*



**MOTOROLA**

**NOKIA**

**BlackBerry**



# Failed UK Retail

- UK High Street... been in decline for a very long time over 25 years and been dying a slow death since mid-nineties, it's not a recent issue



# The Next Company Or Industry To Fail

- Who will be the next company to fail?
- Which industry will come under pressure next and fail?
- Could it be our industry?
- What do we need to do to protect ourselves?





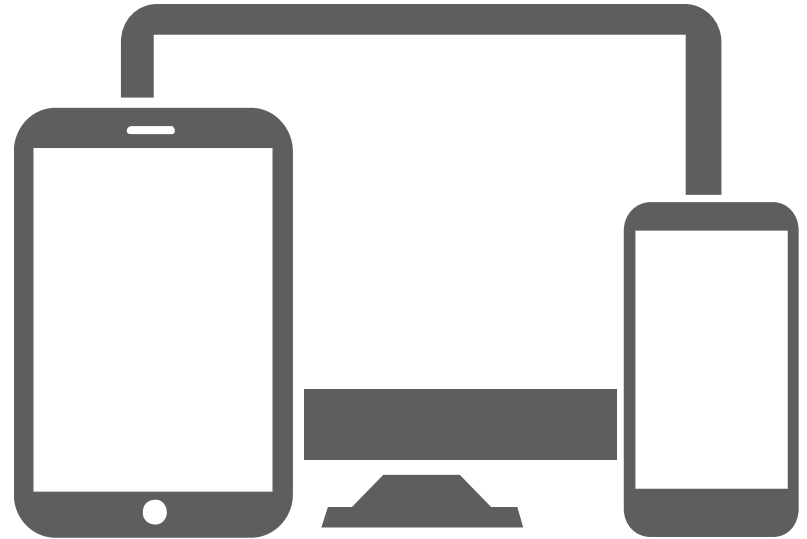
# Why Sell Online Or Go Omni-channel?

- Not to be left behind, stay modern and relevant and grow
- To sell products online and move into the digital age
- Not many wholesalers have full UK coverage, with an online offer reach a wider audience = secure more customers, a business with more customers is more secure
- Secure the customer of tomorrow – next generation
- Meet customers' needs and what they are asking for, customers want convenience, hassle free shopping, 24/7 access, stock availability, consistent pricing
- To offer a wider range of products that aren't stocked in branch
- Delivery times that meet with customers expectations
- To remain in existence



## Why Sell Online?

- To survive long term, the reality is our industry will need to work together in partnerships to ensure we put ourselves in a strong position and retain market share and to keep new competitors at bay

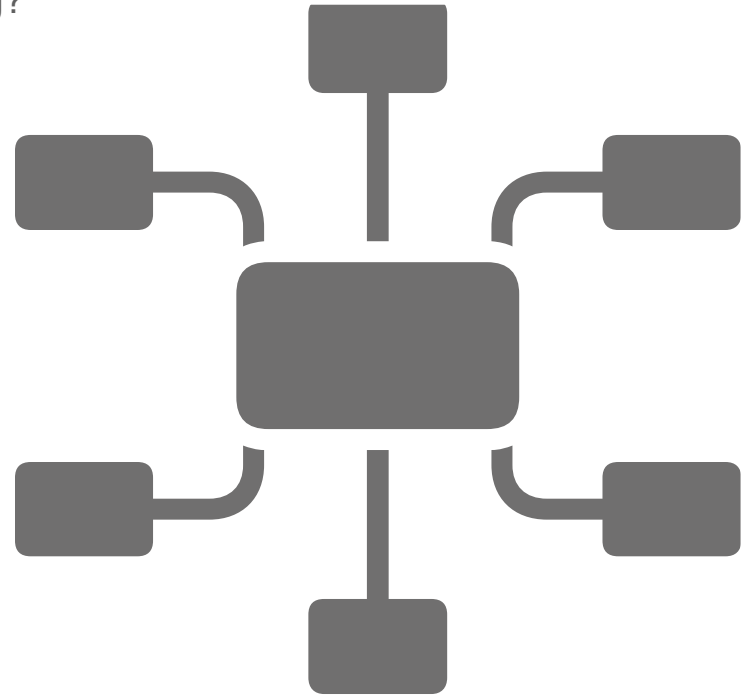


# ETIM / EDATA Discussion

Protecting our industry

## ETIM & EDATA – Fantastic Initiatives

- Is a data structure and an enriched product data pool on its own enough to propel our industry into e-commerce trading?
- Will this on its own do what the industry expects it to?



# Fact

**Providing a data structure and a data pool will not instantly enable all electrical wholesalers to trade online and go into e-commerce**

What other considerations are there?

## What Other Considerations Are There?

- The cost and time to digitise your business is potentially prohibitive
- Do all electrical wholesalers have the money?
- Does everyone have the time to invest?
- Do you have the expertise and the resource?



# What's involved for a company to go online?

And what parts of the jigsaw are the EDA  
providing though ETIM & EDATA?



- Data structure
- Enriched product data & images



- PIM system [Cash / Set-up time]
- Web products category structure in PIM [Set-up time]
- Web products categorisation in PIM [Set-up time]





- Website design / development / maintenance
- System integrations / APIs  
[for product data - pricing - stock levels – orders]
- Carrier integration - Tracking / SMS / Emails
- Ongoing product data management
- Pricing management tool  
[and into PIM / Website]
- Stock management



- Order fulfilment / warehousing [space / cash]
- Warehouse management systems [integrations]
- Product range [width of offer] [space / cash]
- Increased stock holding [space / cash]
- Additional people resource [cash]



- Longer opening and operational hours – late cut off for next day delivery / live chat customer services
- Content for SEO
- SEO
- Marketing content – banners / promotions, got to keep the site fresh – daily / weekly
- Digital marketing / PPC / ads / remarketing

# Our 10 Year Journey 2011 - 2021

2011  
DECISION  
TO TRADE  
ONLINE

TECHNOLOGY &  
FULFILMENT

PRODUCT  
DATA  
[ENGINE]

PIM SOFTWARE [ENGINE]

PRODUCT  
ENRICHMENT

SUPPLIER  
ENGAGEMENT

DATA  
TEAM

WAREHOUSING  
STOCK, SUPPLY &  
LOGISTICS

BUSINESS  
RULES

PRICING  
[B2B AND / OR B2C]

IT INTEGRATION &  
DEVELOPMENT OF  
INTERNAL IT SYSTEMS

WEBSITE  
DESIGN, BUILD  
FUNCTIONALITY

SPECIFIC  
LOCAL CUSTOMER  
PRICING &  
DISCOUNTS

DATA  
MANAGEMENT  
[KEEP THE  
ENGINE  
RUNNING]

CEF ONLINE



THANK  
YOU