

# KUEHNE+NAGEL



## Digital Omni Solution Introduction

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# Major Trends in China's eCommerce Development

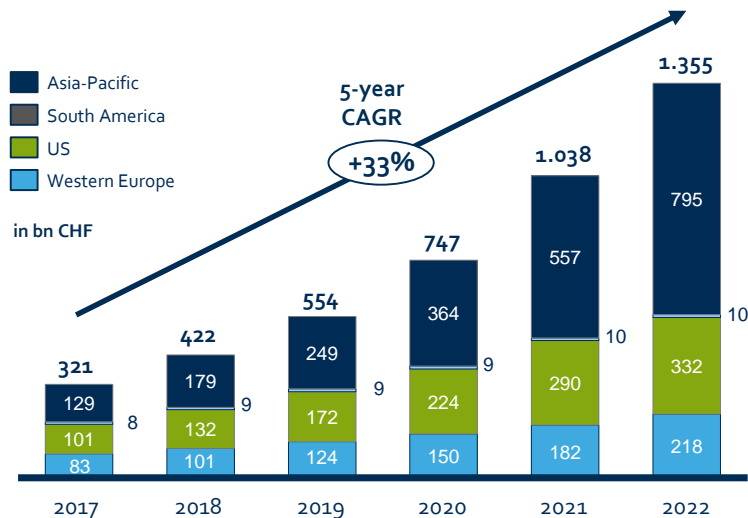
1. Mobile shopping & payment
2. Continuous innovation from platforms (JD.com, Tmall.com, etc.)
3. Organic combination of online and offline sales channel, emergence of "new retail"
4. Increasing consumption penetration in hinterland cities through urbanization
5. Socialized shopping
6. Verticalized online sales channel



# KN's ambition is to generate 1 bn CHF additional revenue from eCommerce logistics by 2022

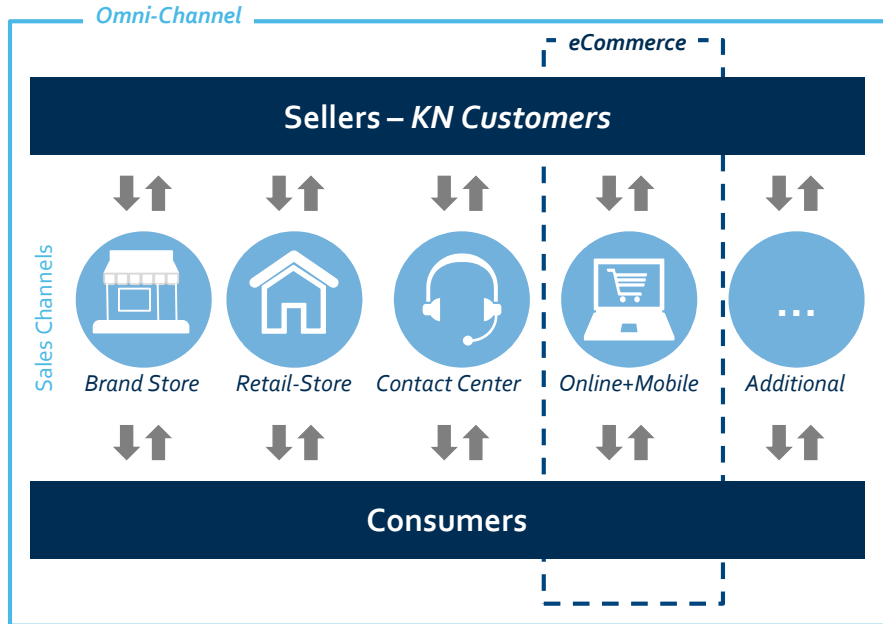


Global eCommerce Logistics Market (2017-2022)<sup>1</sup>



- KN aims to **increase revenue** with eCommerce **by 1 bn** (0,126 bn in 2016 to 1,126 bn CHF in 2022)
- **Strongest market growth** coming from **Asia-Pacific** (China 28% of total by 2022)
- **US** with the **2<sup>nd</sup> highest market share** by 2022 (24,5%) and **5-year growth of 30%**
- Largest **European markets** are **UK** (41 bn CHF), **France** (18 bn CHF) and **Germany** (17 bn CHF)

# To develop a complete Omni-Channel market offering



## Definition of Omni-Channel vs. eCommerce for KN

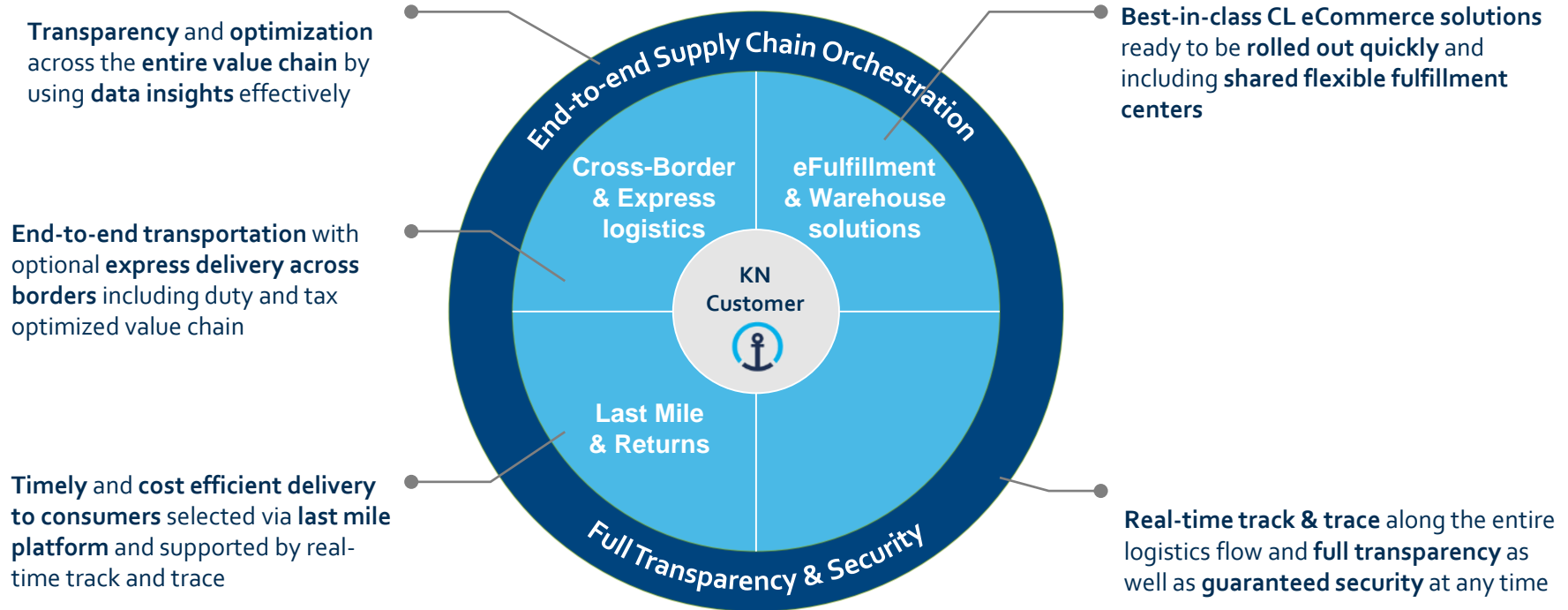
### Omni-Channel for KN

Provision of services to companies involved in the commercialization of goods using **multiple – physical and digital – channels**.

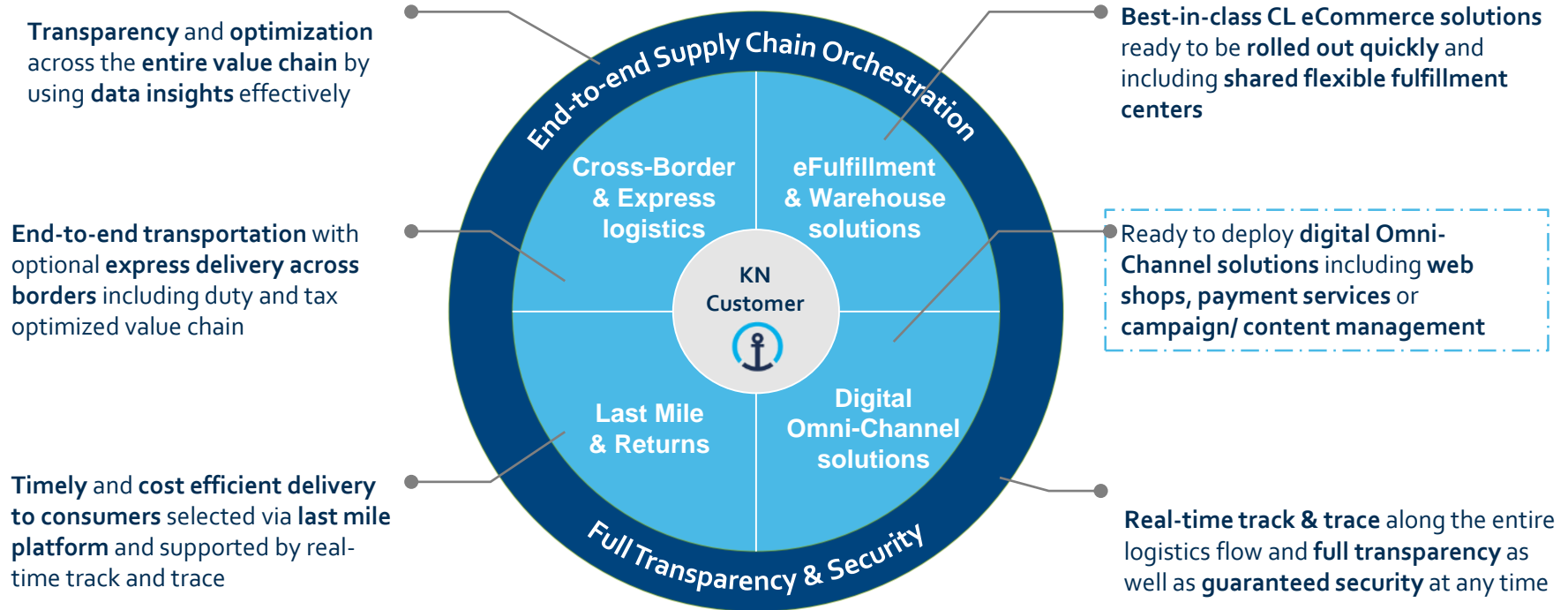
### eCommerce for KN

Provision of services to companies involved in the commercialization of goods using **online channels**.

# Omni-channel & eCommerce Service Framework



# Omni-channel & eCommerce Service Framework



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# Omni Team



*Based in Shenzhen, China*

*Consisting of 9 eCommerce experts*

## What We Do

- With 8 **years experience** in comprehensive eCommerce solutions
- Focus on **China domestic market**
- Best partner **for medium and small scale** eCommerce business
- Provide agile **plug & play** eCommerce solution powered by a suite of cloud-based systems

## Our Value Proposition

- Enable **overseas brand owner** to tap into the huge Chinese eCommerce market
- Enable customer to increase sales by providing **one stop digital solution**
- Remove complexity and reduce ramp-up phase through **standard product**
- Combine with Kuehne + Nagel **logistics product** to build an eco system for omni-channel and eCommerce business

# Our Core Services – Digital Omni-Channel Solutions



Web Shop  
Creation



Payment  
Services



Content  
Management



Campaign  
Management



Customer  
Service



Order Life Cycle  
Management

# Web Shop Creation



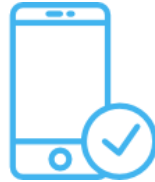
Robust, scalable, tailor-made web shop creation



## UI/UX design

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interactive user interface  
(UI/UX) design solutions  
across desktop, mobile and  
tablet



## Mobile application development

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Interactive mobile app  
development based on both  
iOS and Android eco system



## Web development

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A wide range of web shop  
development including own  
web portal, platform store,  
mobile store, etc.

# Payment Services



Establish interface with major payment gateways in China

Support online and offline payment through mobile device, QR code, web page, etc.



WeChat  
Pay



Alipay



JD Pay



Apple  
Pay



UnionPay

# Content Management



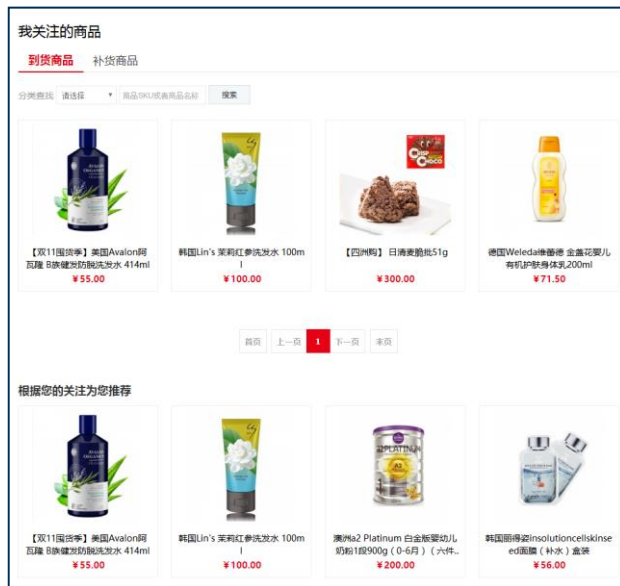
Design, define, update product information and front-end of web shops

## Product Listing

- Define product category, item name, SKU
- Automatic assortment (new arrivals, recommended product etc.)
- Retail pricing recommendation
- Price laddering

## Product Detail Management

- Photography
- Video
- Product description / copywriting



# Campaign Management

Orchestrate, manage, run and analyze marketing campaigns



## Diversified Service Offerings

- Digital marketing through WeChat moments, Weibo official account, etc.
- Performance analytics (response, click, conversion rate)
- Campaign recommendations based on data analytics
- Support various types of online marketing campaigns through system configuration



# Customer Service



eCommerce Player's extended arm:

- to manage pre- and aftersales customer inquiries, satisfactory rating
- to oversee end to end supply chain covering entire order life cycle

## Pre- and aftersales customer inquiries

- Real-time communication directly from brand owner's online stores, managed by [trained customer service representatives](#)
- Supported by live chat, chatbot, phone, etc.

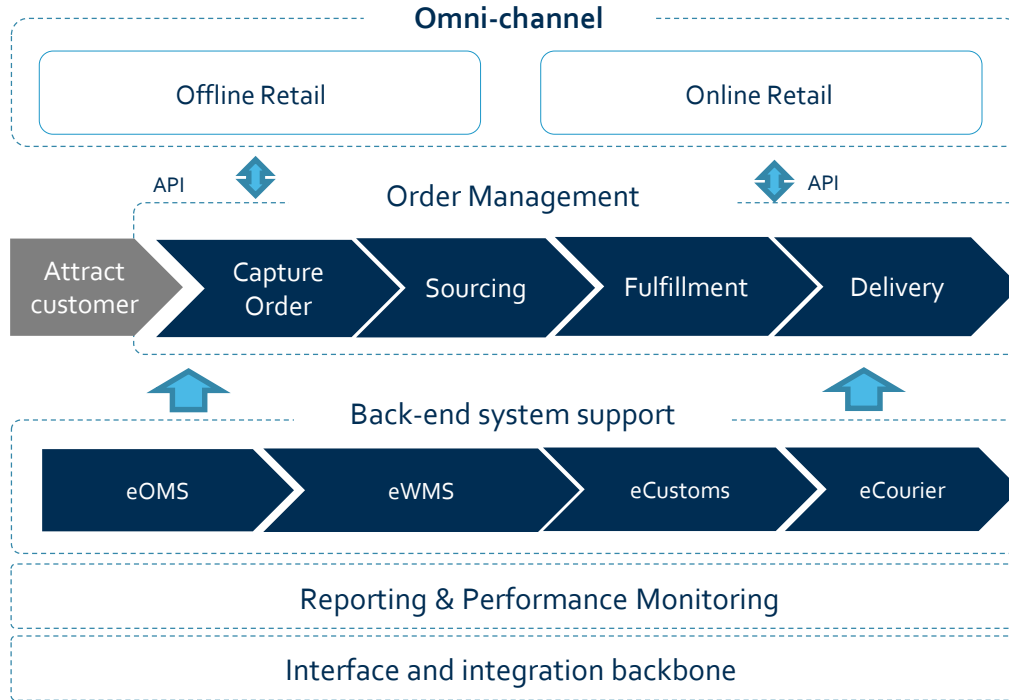
## End to End Supply Chain Oversight

- Order and logistics information flow management, provided by [KN ControlTower](#) through Logistics Control Centre
- Supported by a suite of software solutions and visibility tool

# Order Life Cycle Management

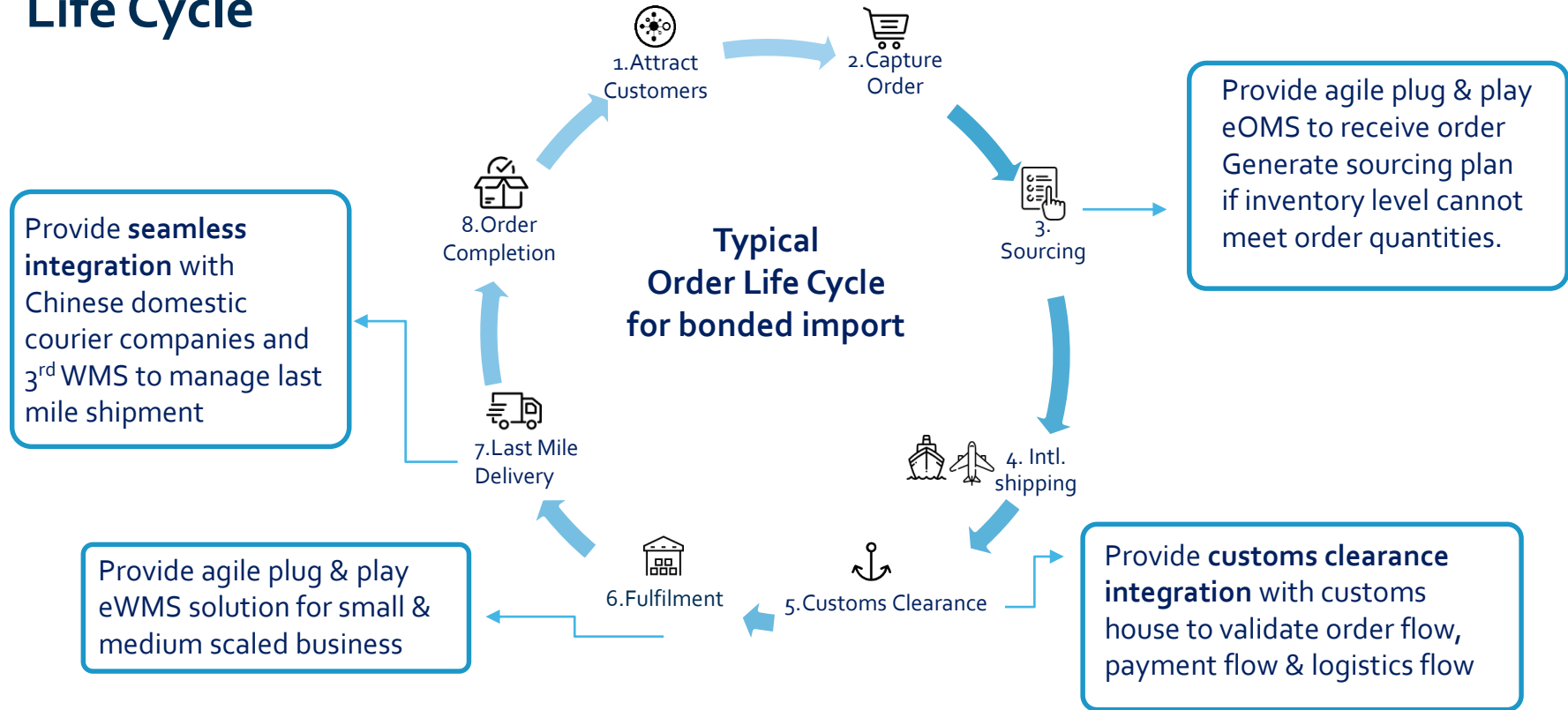


From demand planning to payment collection through a suite of software integration



- Through various **customer facing technologies** to enable offline and online sales channel integration, manage web shop on App, WeChat, own site, etc.
- Powered by a suite of in-house developed plug & play **software solutions**
- Combined with existing and new Kuehne + Nagel **logistics product**

# Interaction with Logistics Product in An Order Life Cycle



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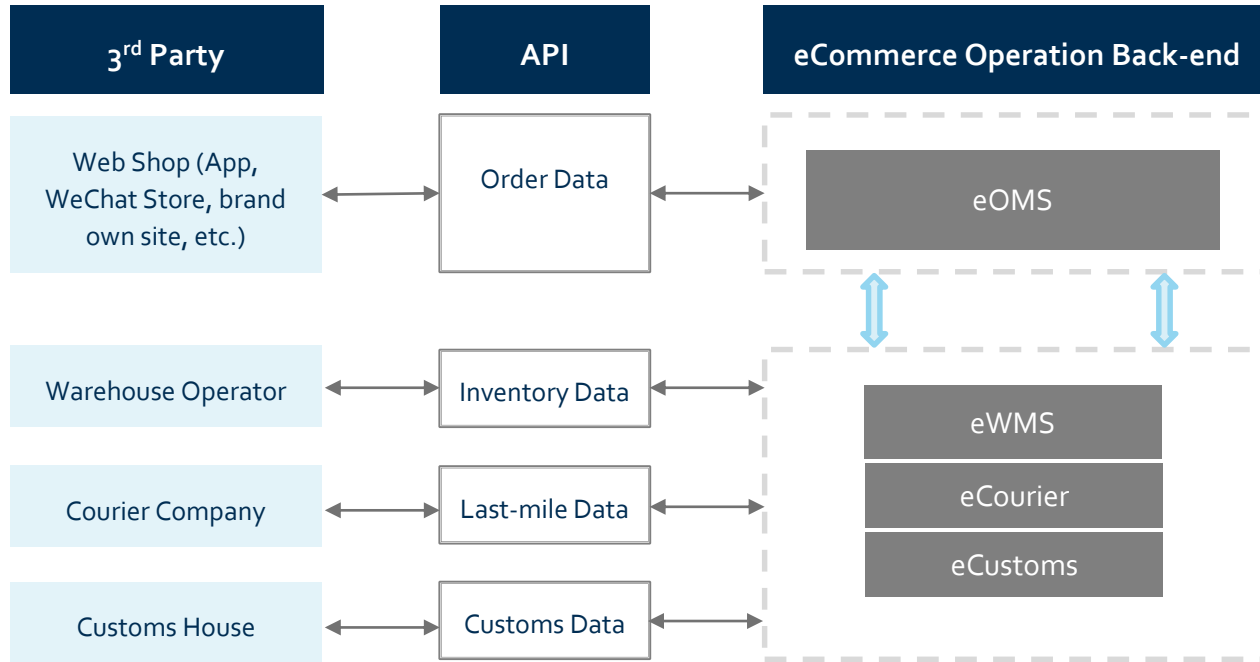
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## ***Selected System Solutions – deployed on AliCloud, agile & flexible***

- eOMS / eWMS / eCourier / eCustoms

# Omni System Architecture



# Application Landscape



## eOMS

### Product Information Management

- Export / import product list
- Product picture management

### Order Management

- Centralized order management across various online and offline channels

### Omni-channel fulfillment

- Order synchronization from platform stores with major eCommerce platforms in China (JD.com, Tmall.com, Little Red Book, etc.)
- Support standardized workflow

### Report & Performance Monitoring

- Built-in standardized dashboard for product, order and sales revenue statistic

## eWMS

### Inbound & Outbound Management

- Support pick operation with customized waves and configurable retrieval rules
- Support both B2B and B2C fulfillment

### Inventory Management

- Support centralized inventory management across multiple storage locations & SKUs
- Support inventory lock

### Cycle Count

- Support cycle count by lot, location, item

### Report & Performance Monitoring

- Built-in standardized dashboard and customizable reporting for inbound / outbound and inventory statistic



# Application Landscape

## eCourier

### e-Waybill

- Seamless integration with major Chinese courier companies to support last mile shipment booking and waybill batch printing
- Integration with own eWMS or 3<sup>rd</sup> party WMS

### Track & Trace, Notification

- Support milestone track & trace through API with courier companies
- Support SMS notification of milestones

### Courier Selection

- Preferred carrier per lane
- Cheapest costs
- Consumer's comment



## eCustoms

### Customs House Integration

- Existing seamless integration with Hangzhou Customs House (customs ePort, dock systems) and bonded warehouse WMS
- Support 24x7 instant e-clearance
- Capability to build integration with other eCommerce pilot customs house in China

### Information Flow Consolidation & Validation

- Instant data matching of 3 flows (order flow, logistics flow & payment flow)

### CIQ

- Support CIQ white list data integration from eCommerce site with Customs House

# Case Study

## Establish own eCommerce site for Snacks Brand Owner



### Step 1

- Create web shop on an own brand site



### Step 2

- Product detail mgmt. (photography, description)
- Product listing in web shop
- Set up fulfilment process and delivery channel



### Step 3

- Marketing campaign management, traffic acquisition
- Continuous improvement through customized further development and system iteration
- Customer service activity

### Summary

- Daily transaction order 10,000+
- Seamless software sync through eOMS, eWMS
- Monthly promotional campaign in different forms



We provides a holistic approach to your  
eCommerce business

