

Connected Commerce

Arvato systems

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Vice President

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arvato
SYSTEMS
BERTELSMANN

Megatrend customers anytime anywhere any device



Example of a Customer Journey

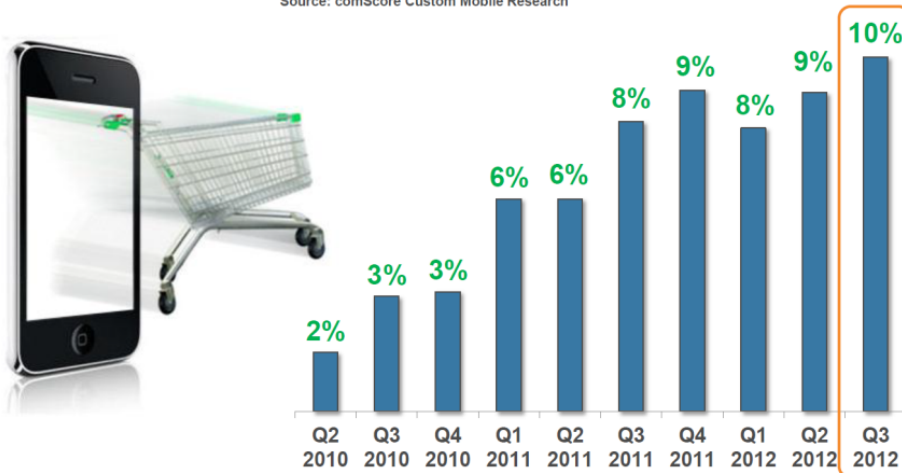
Touchpoints



1 in 10 retail e-Commerce dollars are now spent via mobile device (i.e. smartphones and tablets), U.S. market

Percentage of Retail e-Commerce Dollars Spent via Mobile or Tablet Device

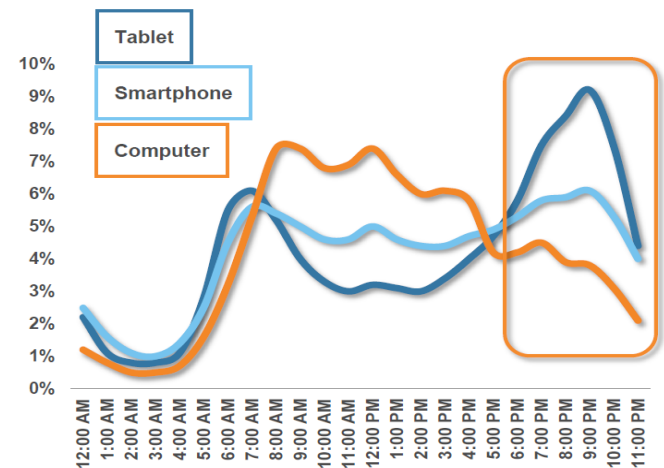
Source: comScore Custom Mobile Research



Source: comScore 2012, State of the U.S. Online Retail Economy in Q3 2012

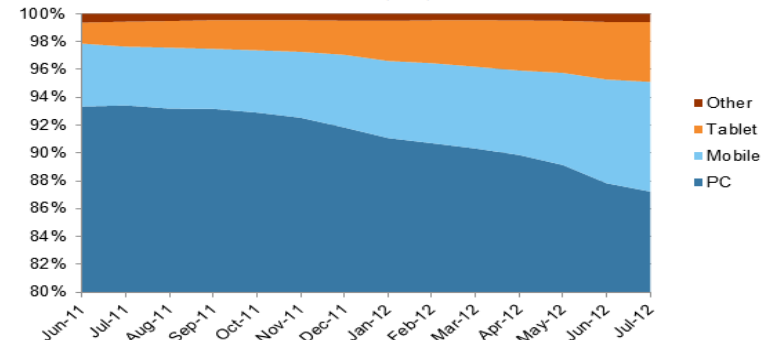
Share of Daily U.S. Device Page Traffic

Source: comScore Device Essentials, U.S., Jan. 24, 2012 (Weekday)



Share of U.S. Internet Page Views

Source: comScore Device Essentials, U.S., Jun-2011 - Jul-2012



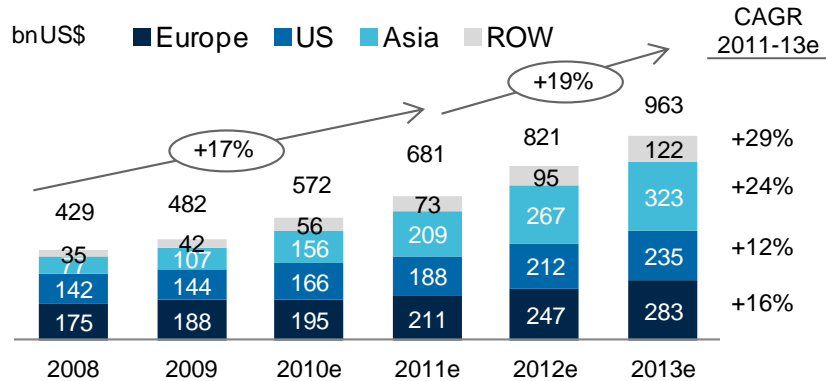
Conclusion



New shopping behavior via new devices

Megatrend: digital commerce continues to grow

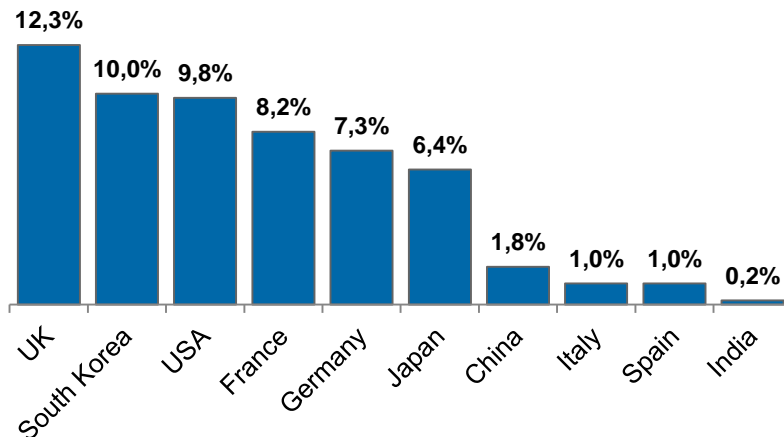
E-Commerce growing at double-digit rates



J.P. Morgan Global eCommerce Revenue Forecast, Jan 2011

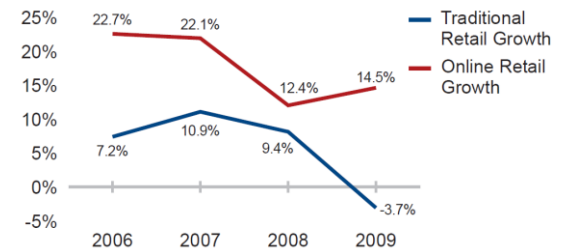


Online retail's share of total retail is on the rise



Citigroup, CIRA's Global E-Commerce Report, May 2012, share of non-food retail 2011

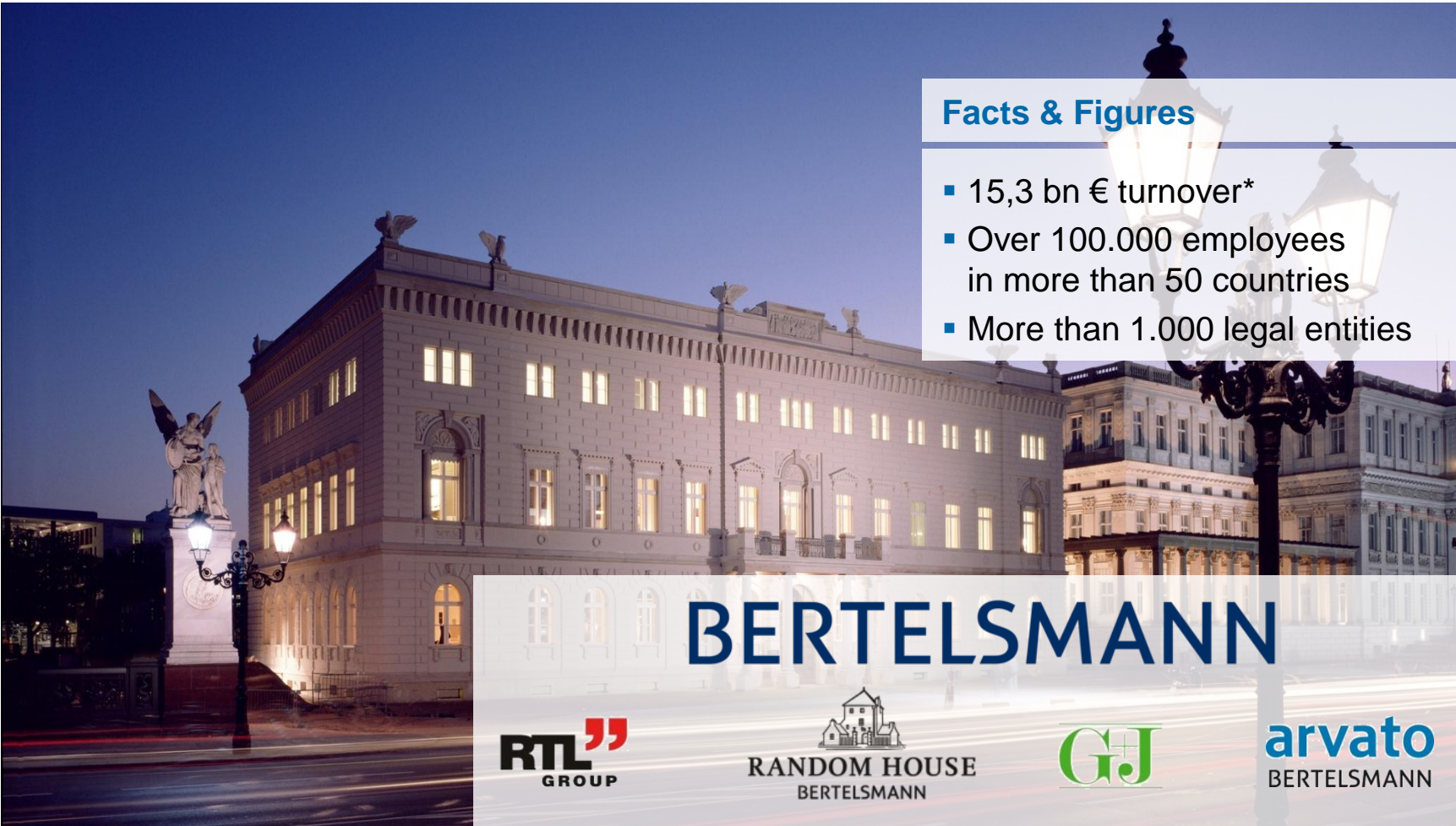
Traditional vs. Online Retail Industry Growth



Source: EIU, Datamonitor, IMAP

Source: Forrester's Research

Bertelsmann – international leading media- and service company



Facts & Figures

- 15,3 bn € turnover*
- Over 100.000 employees in more than 50 countries
- More than 1.000 legal entities

BERTELSMANN



The No. 1 European broadcaster



The world's largest book-publishing group



Europe's biggest magazine publisher



Internationally networked outsourcing provider

*FY.011



Facts & Figures

- 5,4bn € turnover*
 - Over 68.000 employees in 36 countries
 - More than 20.000 employees in Germany
-
- Serving 150 million consumers in 30 languages
 - 200 million calls per year
 - More than 650 million shipments per year
 - More than two billion mailings per year
 - Service provider for 200 publishing companies
 - Strong IT & consulting capabilities



> **SCM**
Order-to-Cash, Repair Services, Transport Management, Spare Parts Logistics, Warehousing



> **Customer services**
Information & Value-added Services, Telesales & Retention, Technical Support, Back Office



> **Finance**
Risk assessment, Factoring, Payment Management, Financial Accounting



> **IT**
System Integration, Infrastructure Services, IT Solutions, Consulting, Cloud computing



> **Print**
Print Procurement, Pre-Press Services, Letter Shop Services, Finishing

*GJ 2011

arvato offers integrated business process outsourcing solutions



Content Management

Customer Care & CRM

Production

Logistics Services

After Sales

Financial Services



Data Creation
Data Storage
Data Assembly
Publication

Customer Contact Centers
Order Management
Technical Support/Activation
Customer Loyalty-/CRM-Programs

Purchasing
Bundling/Packaging
Print on Demand
Merchandise Planning

Pick and Pack
Warehousing
Carrier Management
Returns Management

Reverse Logistics/Hotline
Swap
Repairs
Software Updates

Credit Check/Ratings
Invoicing/Factoring/Central Settlement
Online Clearing/Cash Collection
Corporate Debit

Integrated IT-Landscape & IT services

Full Service Outsourcing: Physical goods/ Digital goods

Companies that Trust arvato



> Creation
 Concept Design, Social Media, Campaign Management, Direct Marketing, Marketing

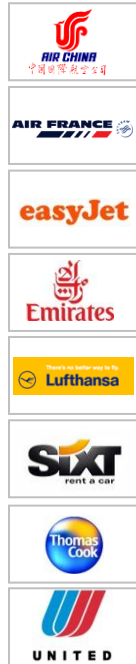
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 Information & Value-added Services, Telesales & Retention, Technical Support, Back Office

> Finance
 Risk assessment, Factoring, Payment Management, Financial Accounting

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 System Integration, Infrastructure Services, IT Solutions, Consulting, Cloud computing

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 Print Procurement, Pre-Press Services, Letter Shop Services, Finishing

Airlines / Tourism



Auto-motive



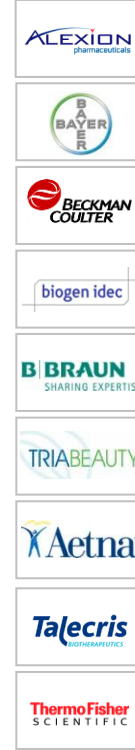
Consumer Goods



Finance / Insurance



Health-care



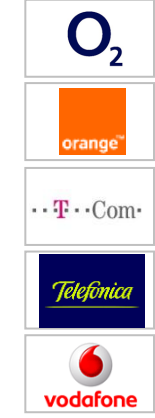
IT / Hightech



Media



Telco



Energy



arvato is able to manage international projects



- Take over of 10 Telekom service center sites
- 1,500 employees
- One of the largest BPO-Deals in Germany



- BPO of different CRM- services in 15 countries
- Consulting, product scouting, international sourcing, monitoring, logistics, customer service



Lufthansa

- Take over of a complex network of services for Lufthansa
- Support for over 15 Mill. Members, 200 countries in 11 languages
- Consulting, print, letter shop, customer service, logistics,

Microsoft®

- BPO of different services in 21 countries, 28 languages
- Customer service, supply chain management, product activation, support and training, CD and DVD production
- Arvato is largest outsourcing partner of Microsoft.

very large search engine

- BPO of Financial services for a search engine company in over 100 countries
- Credit and risk management, payment processing, accounting and reporting

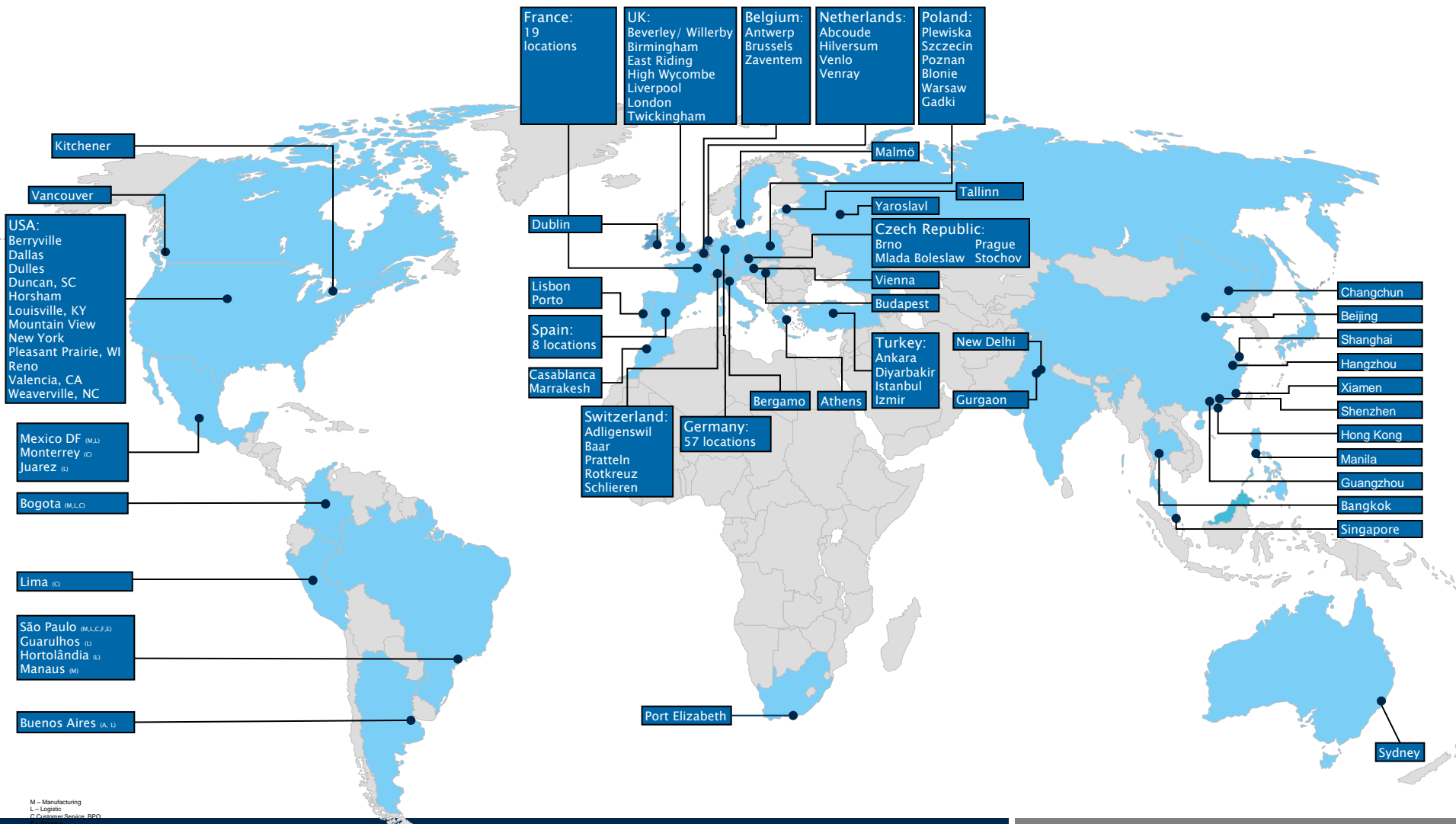


EAST RIDING
OF YORKSHIRE COUNCIL

- BPO of 9 service areas of East Riding of Yorkshire Council
- Transfer of 500 employees
- Numerous awards for „Best Public Private Partnership”

arvato

Our global footprint



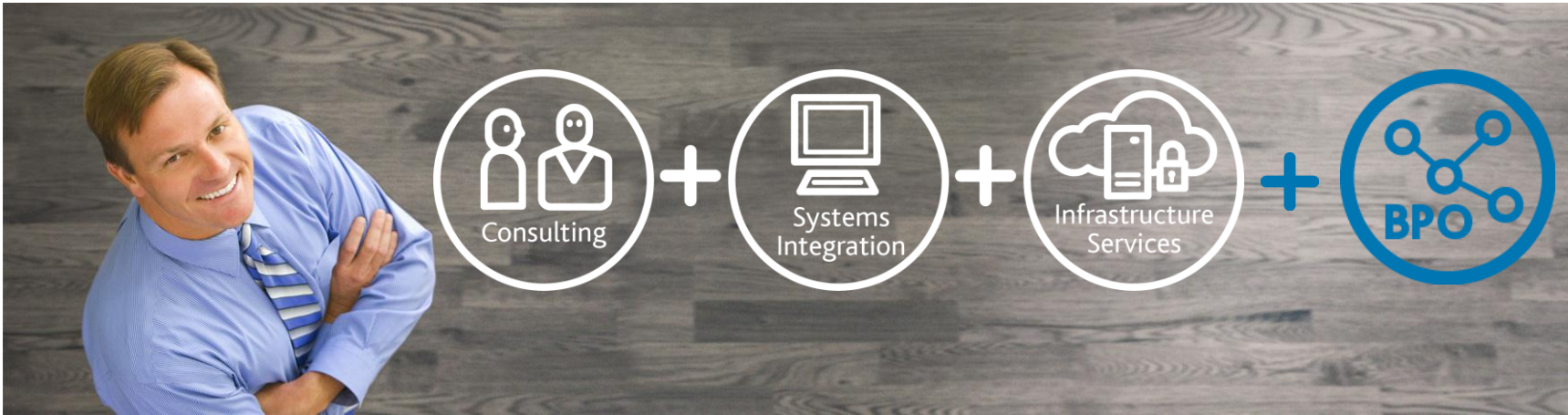
M - Manufacturing
L - Logistics
C - Customer Service, BPO
F - Finance
D - Distribution

- System integrator offering comprehensive IT services:

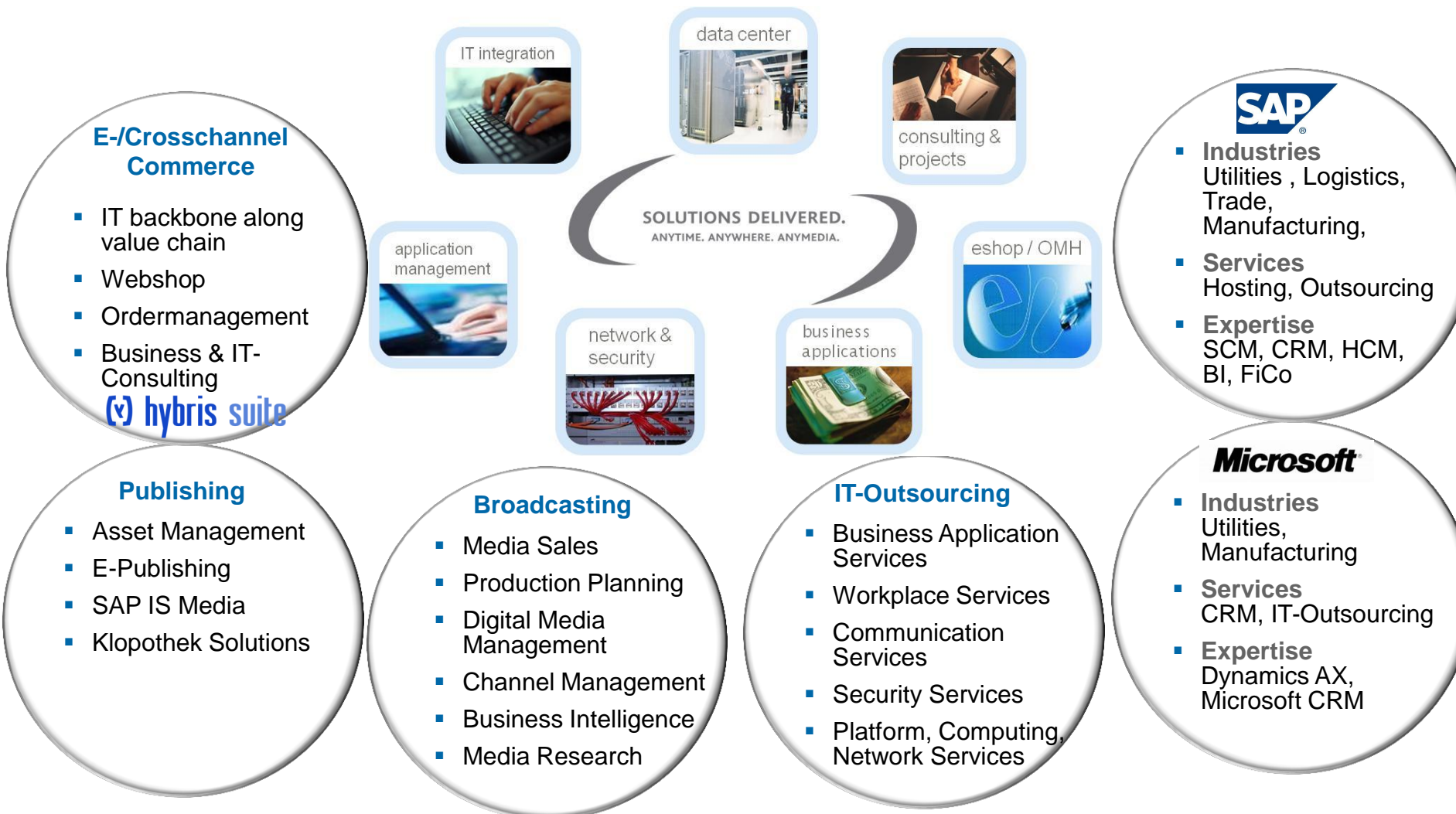


Facts & Figures

- ~ 260 Mio. € turnover*
- ~ 2.500 employees*
- > 400 SAP experts,
- > 400 e-commerce experts
- > 600 IT Infrastructure experts
- > 400 media experts
- More than 30 years of experience in IT-business
- Locations in Europa, North-America and Asia



*GJ 2011



E-/Crosschannel Commerce

- IT backbone along value chain
- Webshop
- Ordermanagement
- Business & IT-Consulting

hybris suite

SAP

- Industries**
Utilities, Logistics, Trade, Manufacturing,
- Services**
Hosting, Outsourcing
- Expertise**
SCM, CRM, HCM, BI, FiCo

Publishing

- Asset Management
- E-Publishing
- SAP IS Media
- Klopothek Solutions

Broadcasting

- Media Sales
- Production Planning
- Digital Media Management
- Channel Management
- Business Intelligence
- Media Research

IT-Outsourcing

- Business Application Services
- Workplace Services
- Communication Services
- Security Services
- Platform, Computing, Network Services

Microsoft





- Industries**
Utilities, Manufacturing
- Services**
CRM, IT-Outsourcing
- Expertise**
Dynamics AX, Microsoft CRM

Run: Hosting and APM services

Strategy

Set Up

Application Management

<p>Highly secure data center premises 5,000 sq. m. 53,820 sq. ft. incl. backup data center</p>		<p>Power Usage Effectiveness PUE = 1.65</p>
<p>Emergency Power Backup 6 emergency diesel generators 8.7 MW</p>	<p>Storage Capacity 2.5 PB net usable hard disk storage 4 PB backup storage</p>	<p>Server 3,610 operating systems 1,400 web & application</p>
<p>Databases & Applications 1,750 databases 2,650 applications</p>	<p>SAP Systems 600 systems 2,500 clients</p>	
	<p>Certified Security  ISO/IEC 27001</p>	<p>Comprehensive Security Concept Information security management system</p>



- One out of 10 excellence SAP hosting partners
- Largest SAP Installation in Europe



ZERTIFIKAT

Die **DQS GmbH**
Deutsche Gesellschaft zur Zertifizierung von Managementsystemen
bescheinigt hiermit, dass das Unternehmen


VERTI-MANN
arvato systems
An der Autobahn 18
33514 Gütersloh
für den Geltungsbereich

Betrieb, technische Unterstützung und Beratung von Betriebssystemen, Storage / Backup / Archives, SAP, Internet, Datenbanken und Exchange Hosting Services in hochverfügbaren Netzwerken

ein **Informationssicherheits-Managementsystem** eingeführt hat und anwendet.

Durch ein Audit, dokumentiert in einem Bericht, wurde der Nachweis erbracht, dass dieses Managementsystem die Forderungen der folgenden Norm erfüllt:

ISO / IEC 27001
Information technology – Security techniques
Information Security Management Systems
Requirements
Ausgabe Oktober 2005

Dieses Zertifikat ist gültig bis 2012-02-18
Zertifikat-Registrier-Nr. 263980 ISMS
Frankfurt am Main 2009-02-19

 
Ass. zur. M. Drechsel GESCHÄFTSFÜHRER Dipl.-Ing. S. Henrich

 D-60433 Frankfurt am Main, August-Schneer-Strasse 21 



e-commerce: support companies on their journey to an increasingly digital businesses

arvato
SYSTEMS

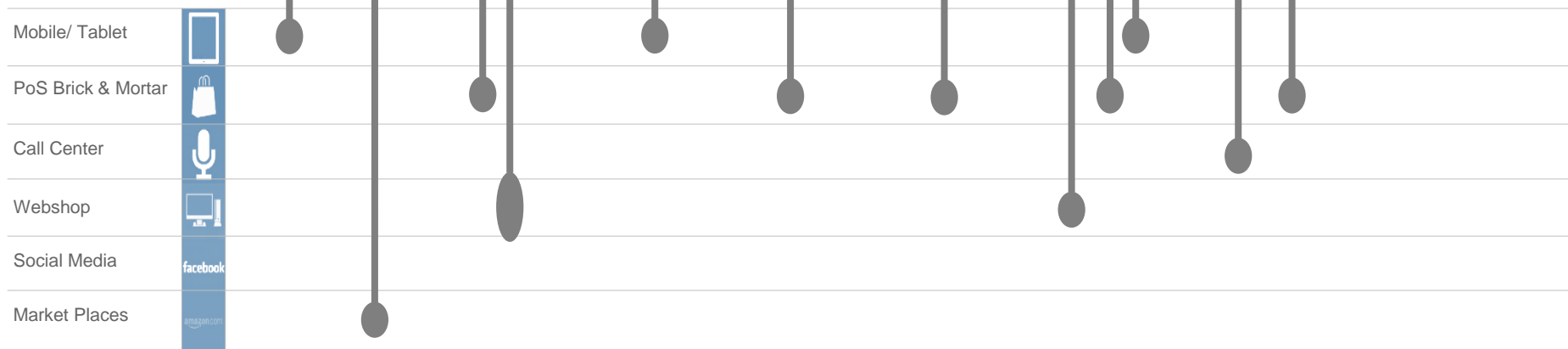
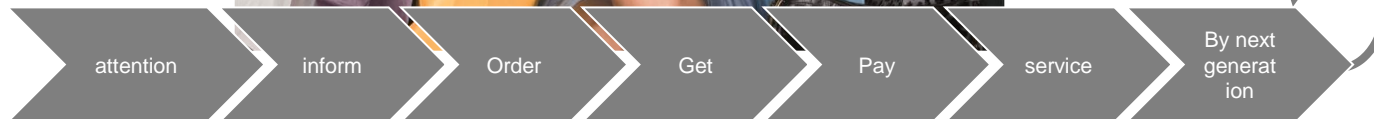


Megatrend customers anytime anywhere any device



Example of a Customer Journey

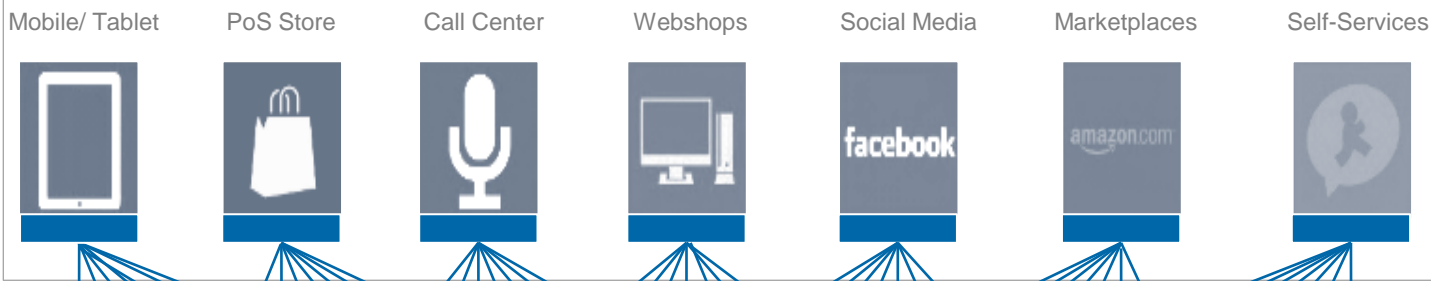
Touchpoints



Cross Channel Commerce can lead to challenges in the backend

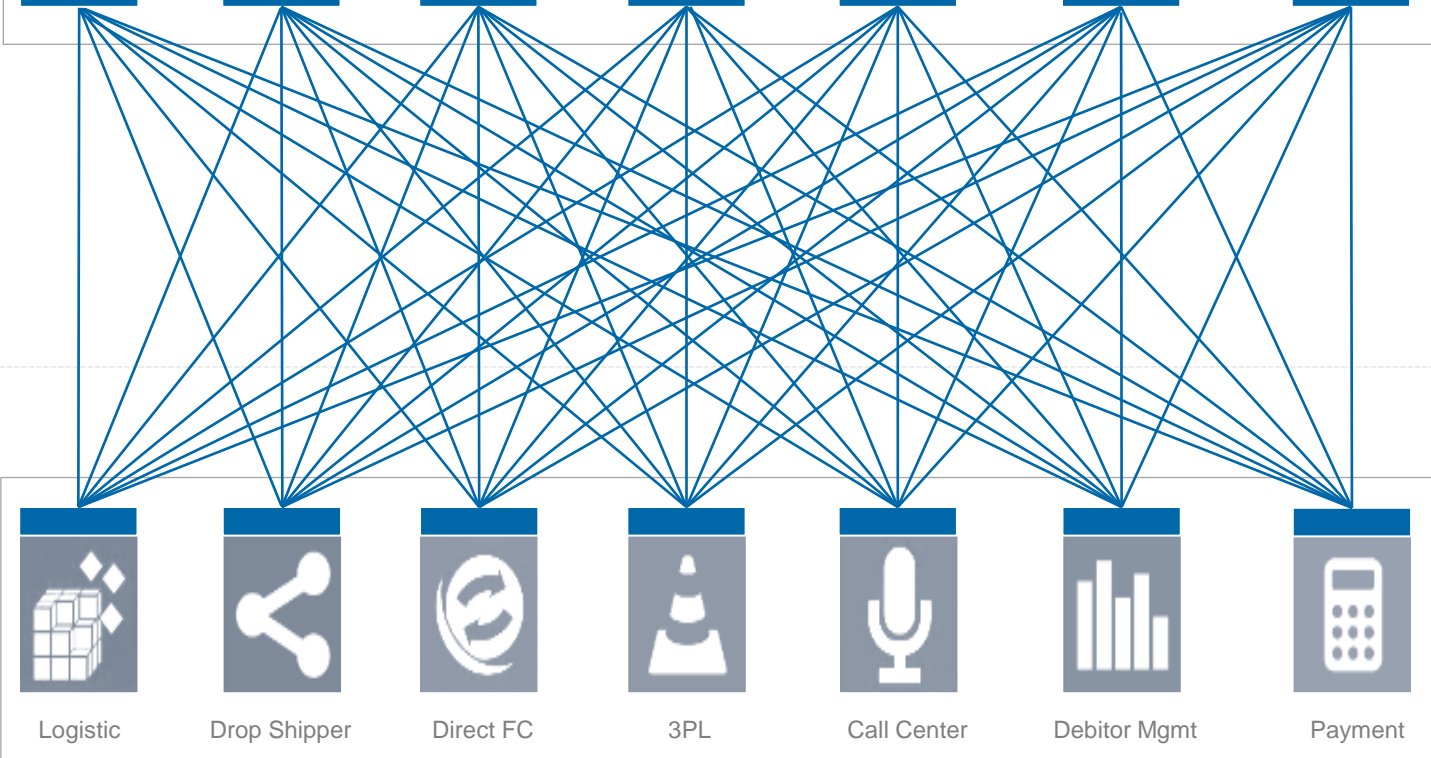
Market Innovation

- Customer centric and touchpoint optimized apps
- Rapid innovation cycle
- Continuous rollout of new services



Execution

- Service partner ecosystem
- Internal and external partners
- Optimized processes specialized services such as logistics, payment

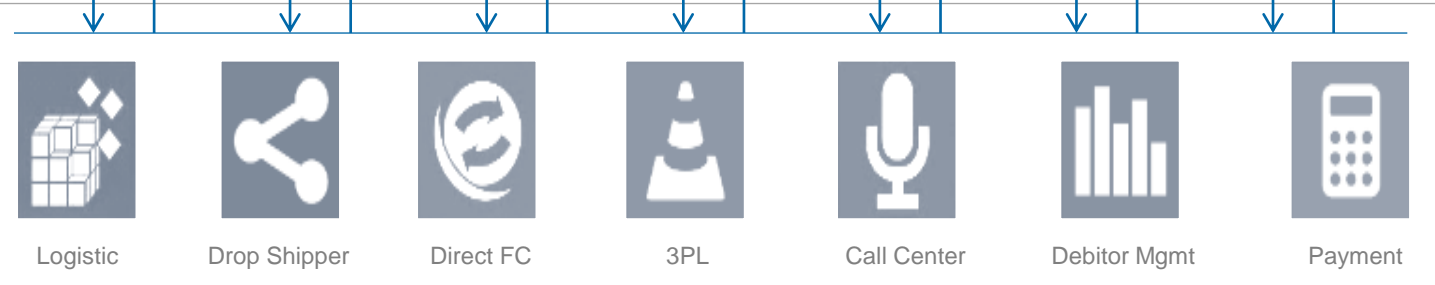
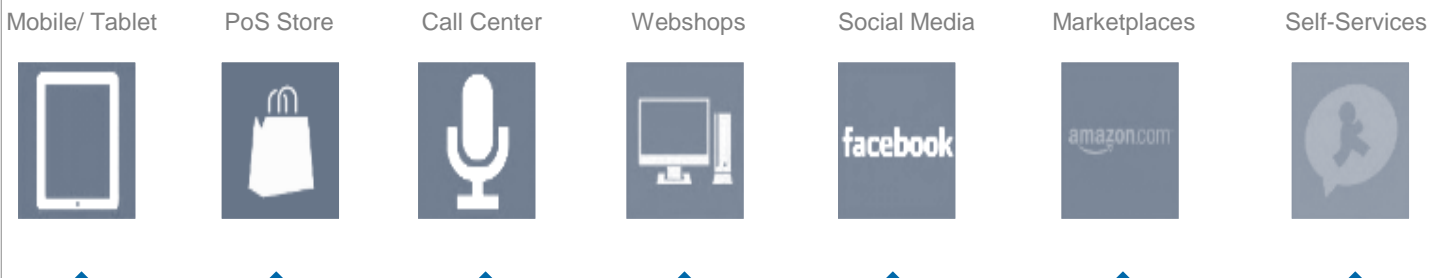


A modern cross channel commerce architecture makes use of a middleware



Market Innovation

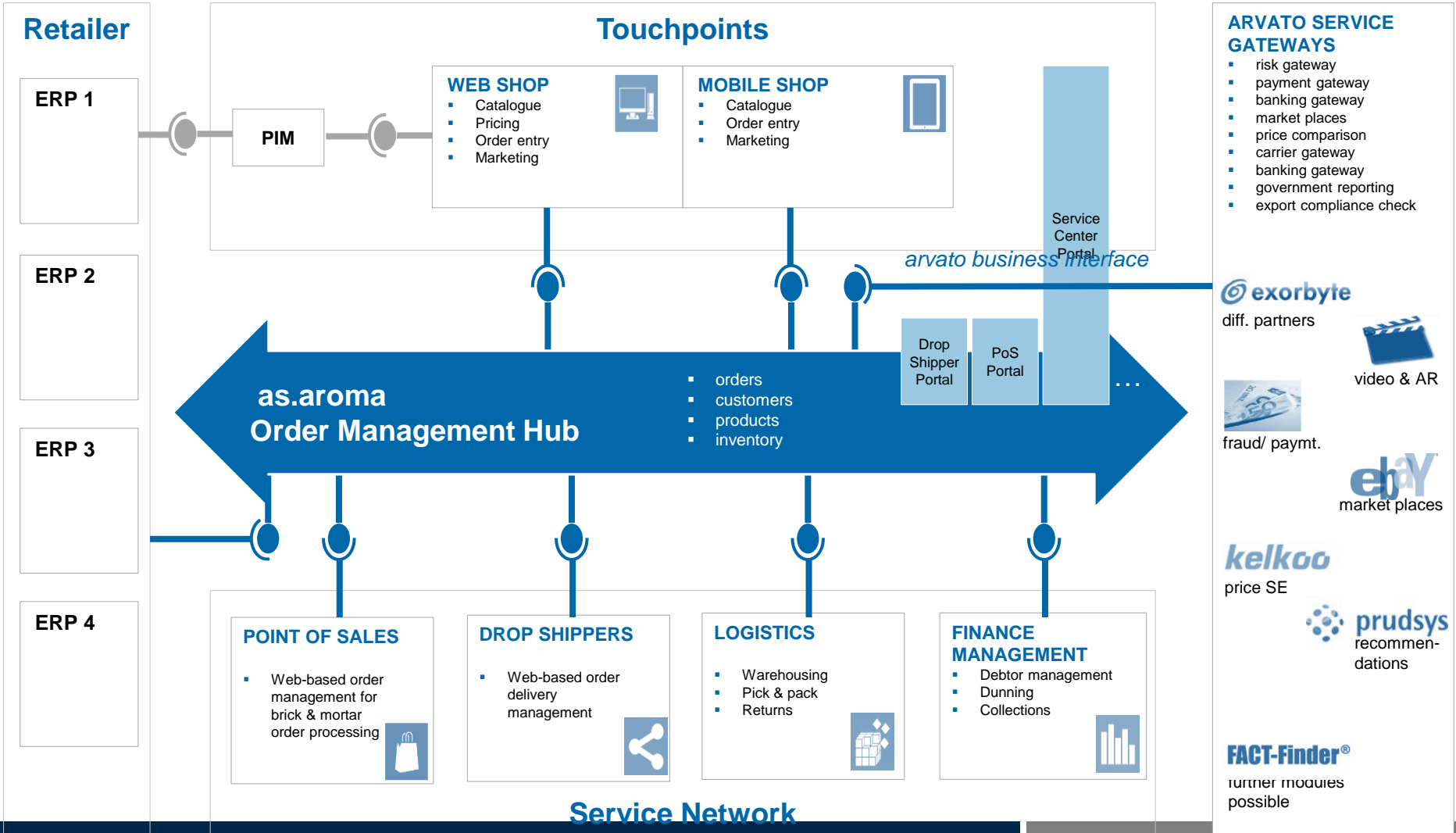
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IT architecture: Middleware enhances flexibility



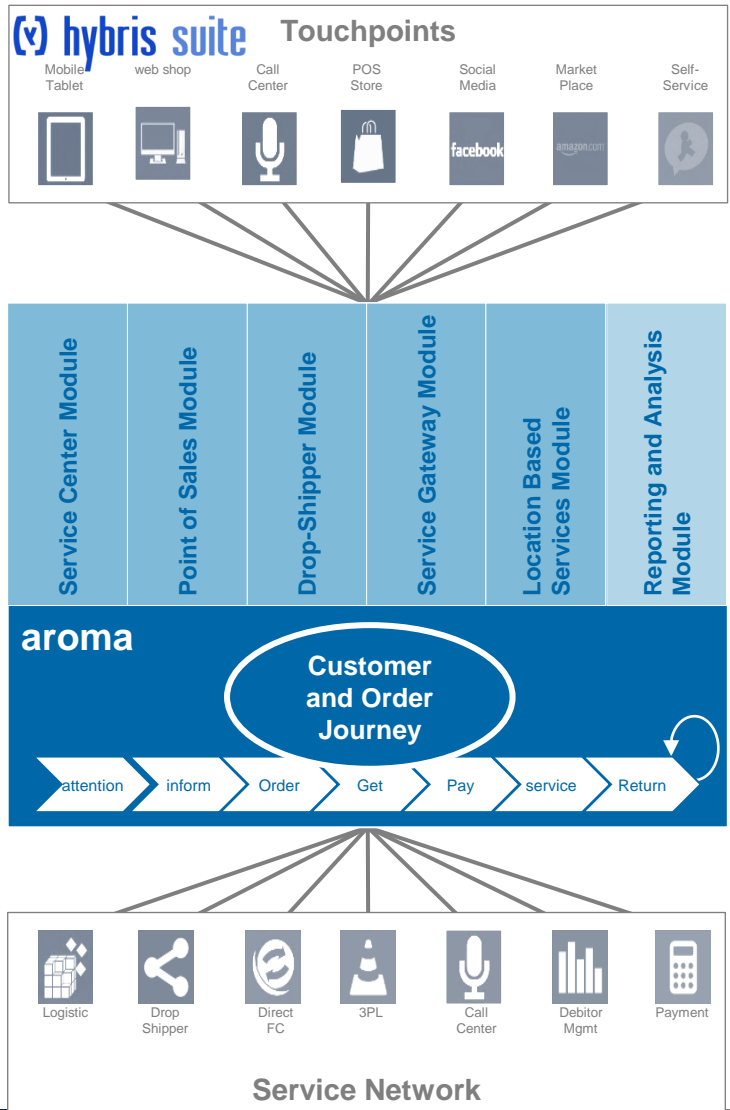
arvato systems provides a proven middleware for cross channel commerce: aroma



aroma

- central data hub: all orders, customer data, inventory data, product data
- cross channel commerce business logic
- Connect various sub systems easily via central data hub
- Minimize changes to existing systems (Integration of legacy IT)
- Enable easy exchange of suppliers (Overcome lock-in effects)
- Launch new countries fast
- Optimize stock levels and flow of goods

International Customers trust arvato systems



Example: middleware enables location based services

- Demand:** Drive customers to your stores with offers that are personalized time- & location sensitive
- In-Store:** Engage with your customers as they enter, browse and exit your stores
- Analytics:** Capture web-style analytics on the physical store and mobile campaign success



Daily Data for Lowe's Store #138
10/7/12 through 10/19/12

Store visits	3,562
Avg Dwell Time	27 min
Peak Visit Hour	9-10am
Avg Repeat visits/month	1.7

Daily Data for Lowe's Outreach #1
10/7/12 through 10/19/12

Messages delivered	856
Messages opened	154
Resulting visits to Lowes	43
Foot traffic conversion	5.02%

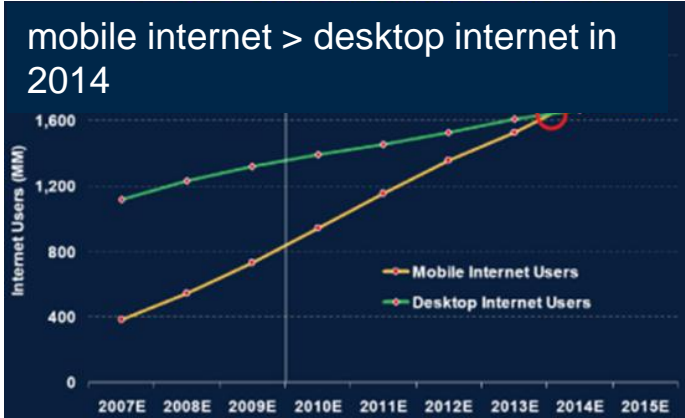
For example adidas works with an arvato systems solution in the US and Europe



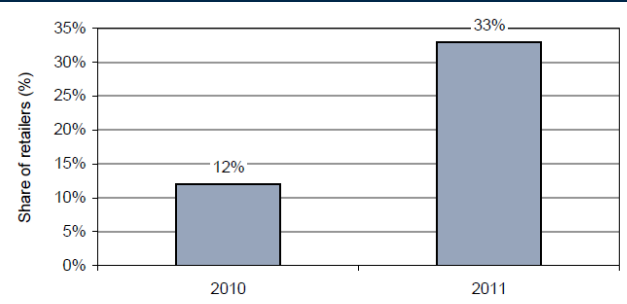
The screenshot shows the Adidas website homepage. At the top, there is the Adidas logo, a search bar, and navigation links for 'Sign up & Save', 'My Account', and 'Checkout 0 items'. Below the navigation is a category menu with options like 'ORIGINALS', 'BASKETBALL', 'RUNNING', 'FOOTBALL', 'SOCCER', and 'TRAINING'. The main banner features a pair of yellow and black 'lethal zones' soccer cleats with the text 'control the ball, own the game'. Below the banner are 'SHOP CHAMPIONS LEAGUE' and 'SHOP SOCCER' buttons. A 'MOST POPULAR' section lists items like 'Samba Samoa', 'Gazelle Sandals', 'Socks D. Rose', 'High Tops Champions League', and 'F50 TECHFIT'. A 'top sellers' section displays three products with their prices: \$75.00, \$90.00, and \$95.00. An 'EXPLORE MORE' section includes a 3D model of a cleat, a 'mi predator lethal zones' cleat, and a 'try it on in-store' button with a location pin icon.

Metro uses responsive design

Touch point usage

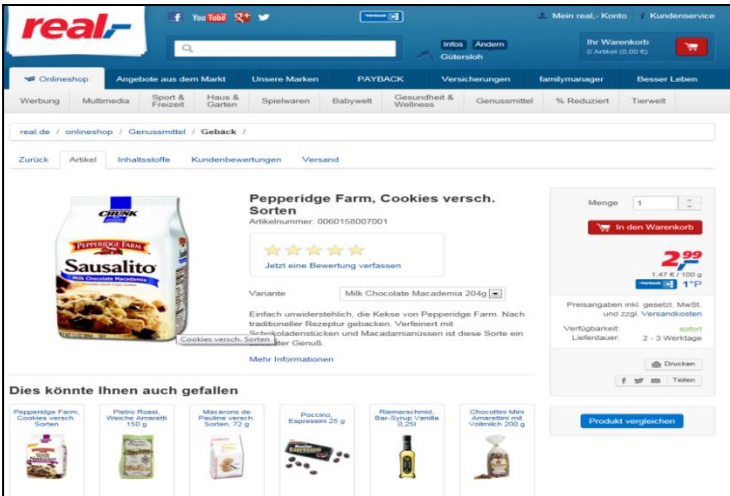


% of US retailer with a mobile site



Source: Boston Retail Partners

Front-end design



Arvato systems order management hub for MediaMarkt and Saturn in Europe

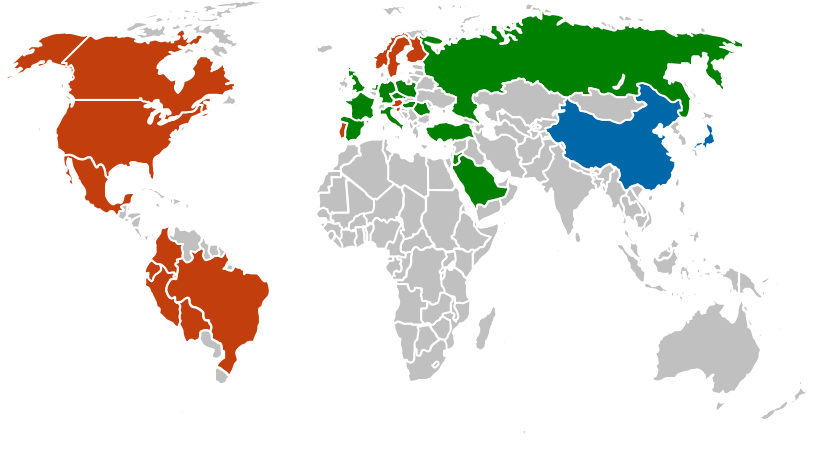
- as.aroma order management system orders, customers, inventory, product data
- Enable international roll out scenarios with minimal IT support
- Support and enable multi-channel scenarios including POS integration
- >40% “pick up in store business” at Saturn
- Hosting in arvato systems data centre
- High scalability and availability
- Communicate with an array of systems both internal and external, central and decentral
- Accounts receivables management
- Non-arvato logistic provider connected

MEDIA - SATURN



Global eContent Program P&G

- Global product data management for eCommerce content
- Support for P&G-specific product maintenance process for product enrichment and market localization
- eRetailer-specific integration to P&G eStore and Taobao in China



Selected case study - Avid

- Online in more than 150 countries
- Physical and digital distribution
- aroma order management system
- Various target group specific stores
- Numerous currencies, payment methods, fraud prevention measures, and tax rules
- Superstore in multiple languages
- Marketing is enabled to add new stores and change content with minimal or no IT support
- Logistics management and stock reconciliation across continents
- Finance management
- International customer care in numerous languages



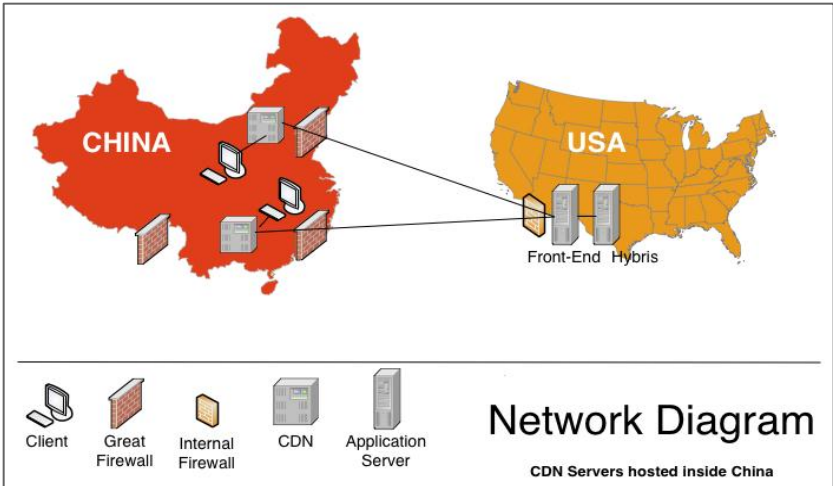
hybris suite

as.aroma

- End-to-End ecommerce services: frontend – backend – fulfillment-hosting including: web-shop, PIM, order management, risk management, payment services, debtor management, customer care, warehousing, returns management, carrier management
- using arvato's newest multi channel commerce suite
- drop ship portal
- cross docking
- very wide range of products (more than 100,000)
- hybrid PIM with strong arvato enhancements
- Business consulting
- application management 24x7



- Solution Implementation
- Launched in China, US, and UK
- Global Operations 24/7 Support
- Managed Hosting Services
- Integration to:
 - Local Payment Service Providers
 - ExactTarget
 - Content Delivery Network



- arvato Provides:
 - Fulfillment
 - Financial Services
 - Customer Service
- Global Product Catalog
- Gift Wrap/Messaging Option
- Multiple Ship-To's
- Global Order and Customer Data



connected commerce: plan build run enhance

Global solutions with local teams and expertise

Middleware AROMA

Save time, save costs, ride the learning curve

