BRIDGING THE CONSUMER EXPECTATION GAP

IN AN OMNICHANNEL AND DIGITAL WORLD, CONSUMERS DEMAND FLEXIBLE PURCHASE OPTIONS

ALWAYS!

ABOUT ME, JORIS KROESE

DIGITAL STRATEGIST & SERIAL ENTREPRENEUR

MY STORY SO FAR

- Education: Information engineering

- Professional experience:
    - founder & CEO – PCSNEL.NL (e-commerce)
    - founder & CEO – RSNP (IT Services)
    - founder & CEO – Hatch BV

Outside of work I am proud father of a three year old son, enthusiast traveller and a hobby cook

HATCH

ABOUT HATCH

HATCH HELPS BRANDS SELL MORE BY CREATING A SEAMLESS BUYING EXPERIENCE FOR CONSUMERS ACROSS ALL CHANNELS

MAKING THE WORLD SHOPPABLE

HATCH IN NUMBERS

60 PEOPLE

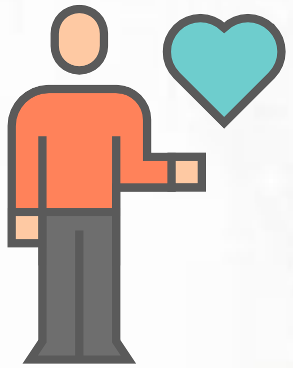
Hatch employs approx 60 people representing 15 different nationalities.

3 CONTINENTS

With offices in 3 continents we serve our clients in their proximity and local timezone.

3,000 RETAILERS

With a network of 3000 retailers in 80 markets we can provide a turnkey solution for most brands.



100 BRANDS

Hatch is proud to serve over 100 brands, many of which are in the Fortune 500.

BRANDS WE WORK WITH

ABUS Security Tech Germany, acer, ADAMS MADE IN USA, AFTERSHOKZ, Alabastine, AOC, ASKO, ASUS, REPUBLIC OF GAMERS, BaByliss PARIS, babymoov

badabulle, BBB, bébéconfort, BenQ, BIOTHERM, BOSE, BOSE, BRAUN, BRAUN household, BRIO, britax

bruynzeel, CAMILLUS, ceta bever, COBRA A SOUTH AFRICAN ICON, COOLER MASTER, Coral, Crane, dataflex, DeLonghi Better Everyday, Dulux let's colour, ECOVACS ROBOTICS

EIZO, Electrolux, elho beautiful living, EPSON, ETNA, Flexa, Flymo, FUJITSU, Gillette, Goliath, GROHE

HAMMERITE, Hasbro, HENDRIK JAN, intel, 25 intos Electronic, iR

ISCA LET LIFE FLOW, KÄRCHER, KENWOOD, Levis, LG, Libra BATHROOMS

little tikes, MARMITEK, MASTERCLASS EST. 1850, MAXI-COSI We carry the future, McCULLOCH, MEDION, molto, msi, NATTOU, NEWSTAR AV & IT MOUNTS, nokian TYRES

NVIDIA, NVIDIA, OMRON, ONE FOR ALL, Pabobo, Pfister, PHILIPS, Pinotex, Pro Formula Diversey Unilever, AMD RADEON RX, RaidSonic

RAMBO, REVLON, RHA, RYZEN, SAPPHIRE, sengled, SentrySafe, SilverStone, SKANDIA, Solis

STABILO, TCL, Tiny Love, tommee tippee, TURTLE BEACH, TWICKTO, Vaal SANITARYWARE, VICKS, vogel's, Whirlpool SENSING THE DIFFERENCE, WORX

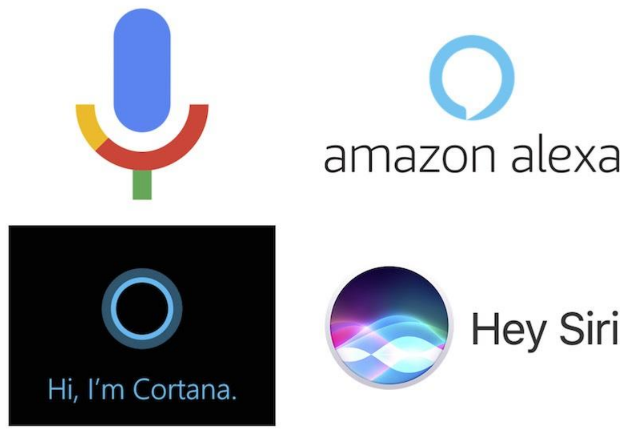
TOPICS FOR TODAY

1. CONSUMER TRENDS
2. STRATEGY PARADOXES & PAIN POINTS
3. BRIDGING THE CONSUMER EXPECTATIONS GAP
4. BEST PRACTICES / BUSINESS CASES
5. WRAP-UP

HATCH

CONSUMER TRENDS

CONSUMER TRENDS



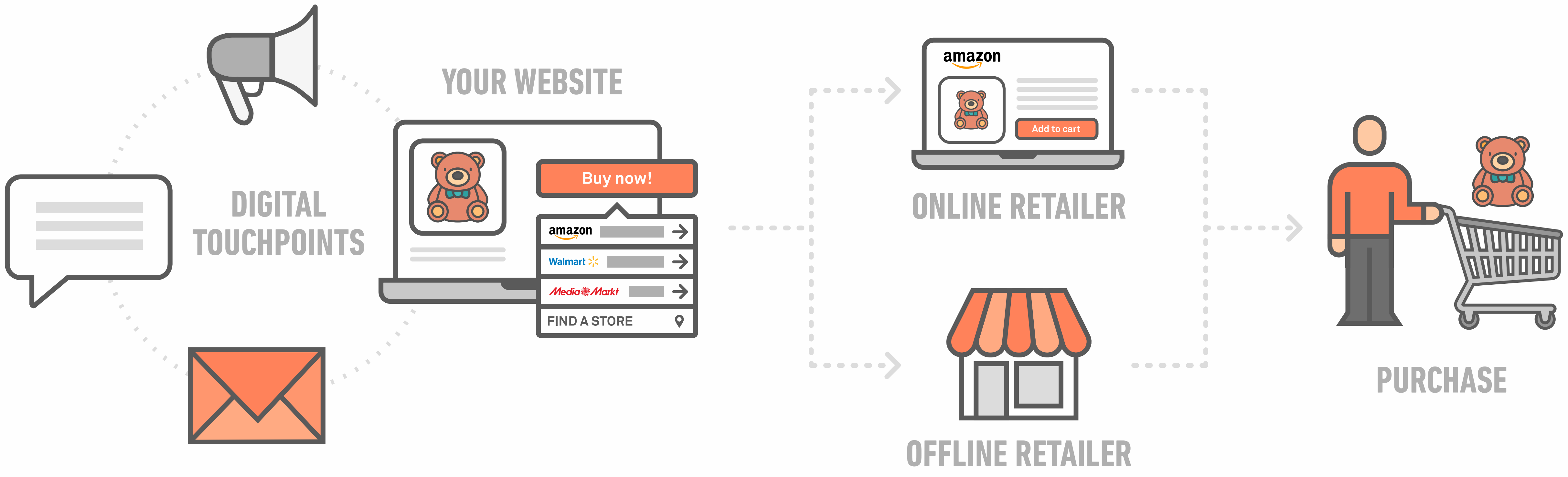
VOICE COMMERCE

SOCIAL COMMERCE

MARKETPLACES

NEW SALES CHANNELS EMERGE DAILY

CONSUMER TRENDS



BUYING JOURNEYS DON'T FOLLOW A PREDEFINED SEQUENCE

THE CHALLENGES AND OPPORTUNITIES OF AN INCREASINGLY DIGITAL WORLD

CONSUMER BEHAVIOUR

US Retail Ecommerce Sales Share, by Product Category, 2011, 2016 & 2021
% of total retail sales in each category

	2011	2016	2021
Electronics & appliances/computer & office products	19%	24%	32%
Books & magazines/music & videos	15%	21%	33%
Toys & sporting goods	10%	19%	28%
Apparel & footwear	9%	17%	28%
Furniture & home furnishings	6%	12%	18%
Drugs, health & beauty care	3%	6%	13%
Food & alcohol	1%	2%	5%

Note: read as in 2021, 5% of food and alcohol sales will be made digitally and 95% will be made in-store
Source: Kantar Retail, "Retail in Motion," July 19, 2017
229380 www.eMarketer.com

- Brand surveys: most consumers visiting a brand website are looking to find places to buy
- Forbes: "*shoppers today prefer a hybrid model — splitting their time and money among brick-and-mortar stores, online purchases and in-store pickup, as well as conventional e-commerce*"
- Underaged minors are important influencers, but not the (legal) decision makers

MARKET DATA

- Toys are amongst the fastest growing online categories
- Forrester: "*78% of online shoppers visit the brand website early in the buying journey*"
- Forrester: "*less than 5% of total sales is direct (95% of total sales is driven by indirect channels)*"

CHALLENGES

- traditional retailers struggle with digital transformation
- the role of local stores changes to experience stores

THE BRAND STRATEGY PARADOX

AMBITION

VS

REALITY

THE BRAND STRATEGY PARADOX

AMBITION **VS** REALITY

AMBITION	REALITY
OMNICHANNEL	SILO CHANNEL

AMBITION
Omnichannel

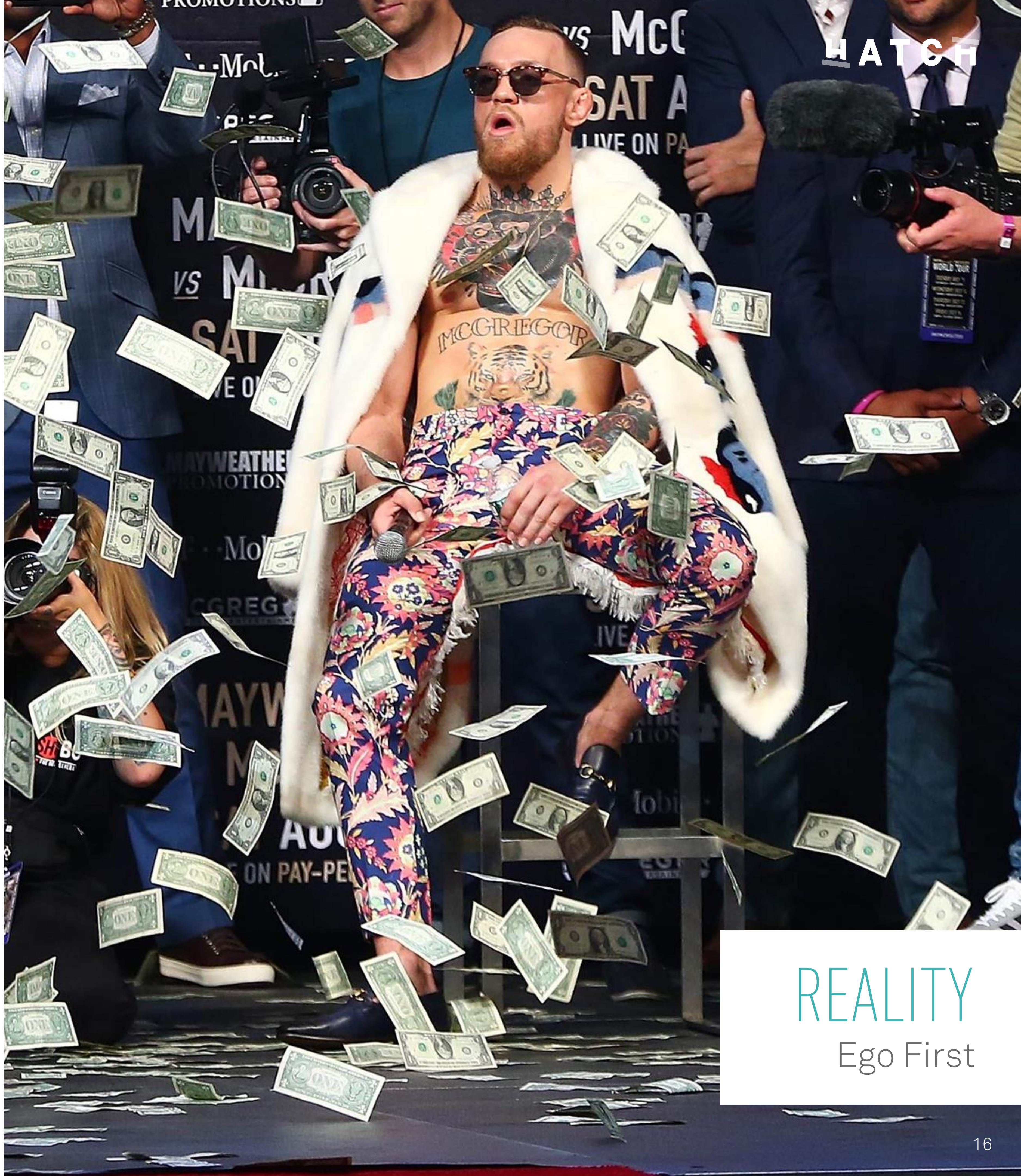
REALITY
Silo Channel

THE BRAND STRATEGY PARADOX

AMBITION	VS	REALITY
OMNICHANNEL		SILO CHANNEL
CONSUMER FIRST		**EGO FIRST**

AMBITION

Consumer First



HATCH

REALITY

Ego First

THE BRAND STRATEGY PARADOX

AMBITION	VS	REALITY
OMNICHANNEL		SILO CHANNEL
CONSUMER FIRST		EGO FIRST
SEAMLESS CUSTOMER EXPERIENCE		**BROKEN JOURNEY**

AMBITION

Seamless Customer Experience

REALITY

Broken Journey

HATCH

THE BRAND STRATEGY PARADOX

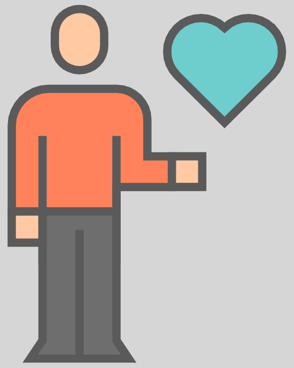
AMBITION	VS	REALITY
OMNICHANNEL		SILO CHANNEL
CONSUMER FIRST		EGO FIRST
SEAMLESS CUSTOMER EXPERIENCE		BROKEN JOURNEY
SELL DIRECT FOR HUGE MARGINS AND MARKET SHARE		**UNDERESTIMATED COSTS AND OVERESTIMATED SALES**

AMBITION
Sell direct for huge margins and sales

REALITY
Underestimated cost and overestimated sales

TYPICAL PAIN POINTS

BRANDS



CONSUMERS

RETAILERS

LESS CONVERSION

POOR CX

LOWER REVENUES

BROKEN JOURNEYS

LIMITED PURCHASE OPTIONS

DISTRACTIONS

NO ALIGNMENT WITH BRAND

COMPETING CAMPAIGNS

INEFFICIENCIES

HOW TO BRIDGE THE CONSUMER EXPECTATIONS GAP

BRIDGING THE CONSUMER EXPECTATIONS GAP

ACCEPT THAT CUSTOMER JOURNEYS DO NOT FOLLOW A PREDEFINED SEQUENCE

1. Be where the customer is
2. Offer all purchase options at any touchpoint
3. Remove all friction and deliver a seamless experience

BRIDGING THE CONSUMER EXPECTATIONS GAP

ACKNOWLEDGE AND EMBRACE DIFFERENT SALES CHANNELS

1. Define generic sales goals (across sales channels) - break silos

2. Develop channel agnostic marketing plans

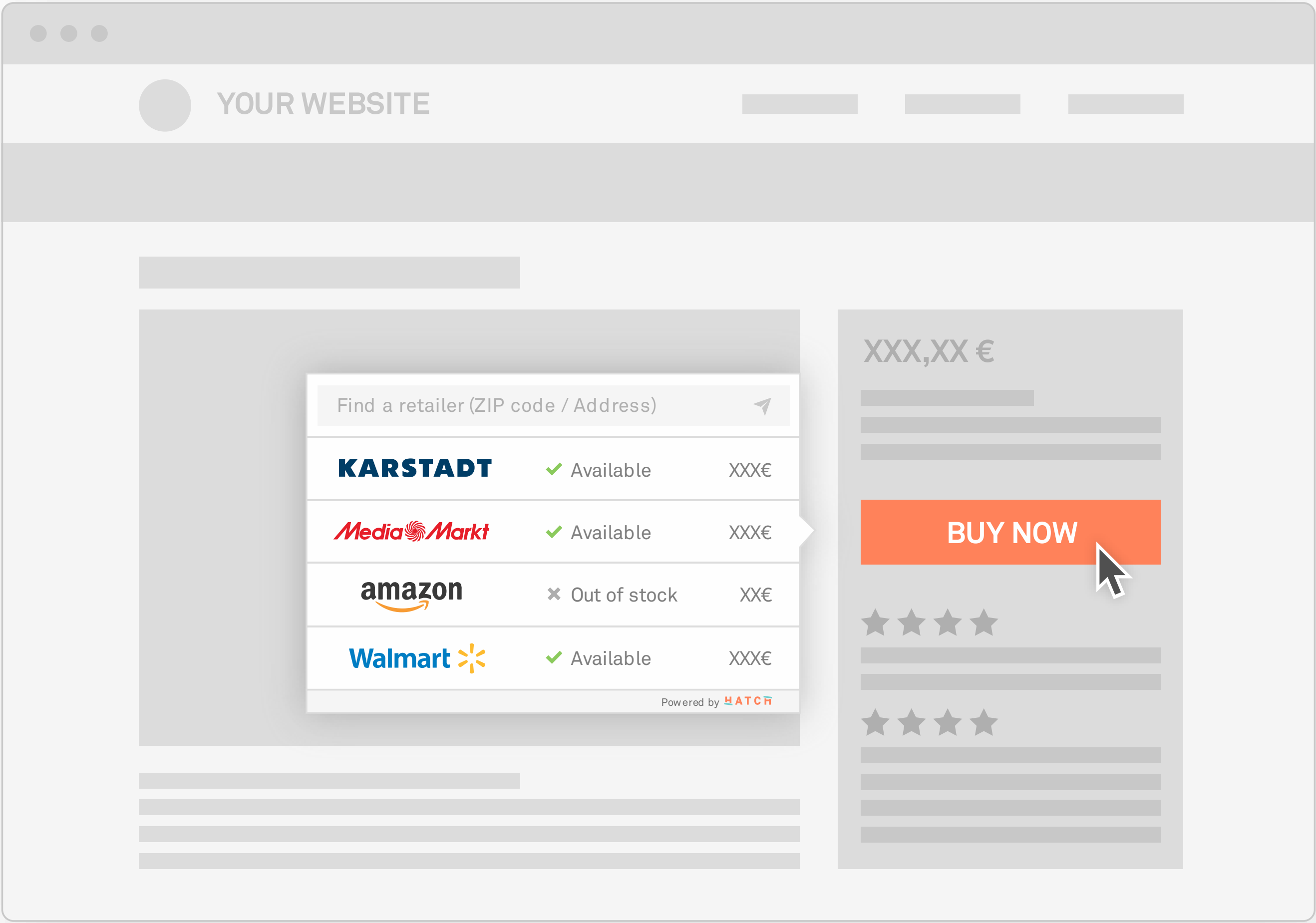
3. Let the consumer buying preference prevail by offering all purchase options

BEING TRULY CUSTOMER-CENTRIC TODAY MEANS GOING DEEPER THAN JUST OFFERING A PRODUCT OR SERVICE THAT THE CUSTOMER WANTS, AND TRULY RECOGNIZING HOW CUSTOMERS THINK, FEEL AND BEHAVE, AND THEN DELIVERING THE MOST OPTIMIZED EXPERIENCE POSSIBLE ACROSS EACH AND EVERY CUSTOMER TOUCHPOINT.

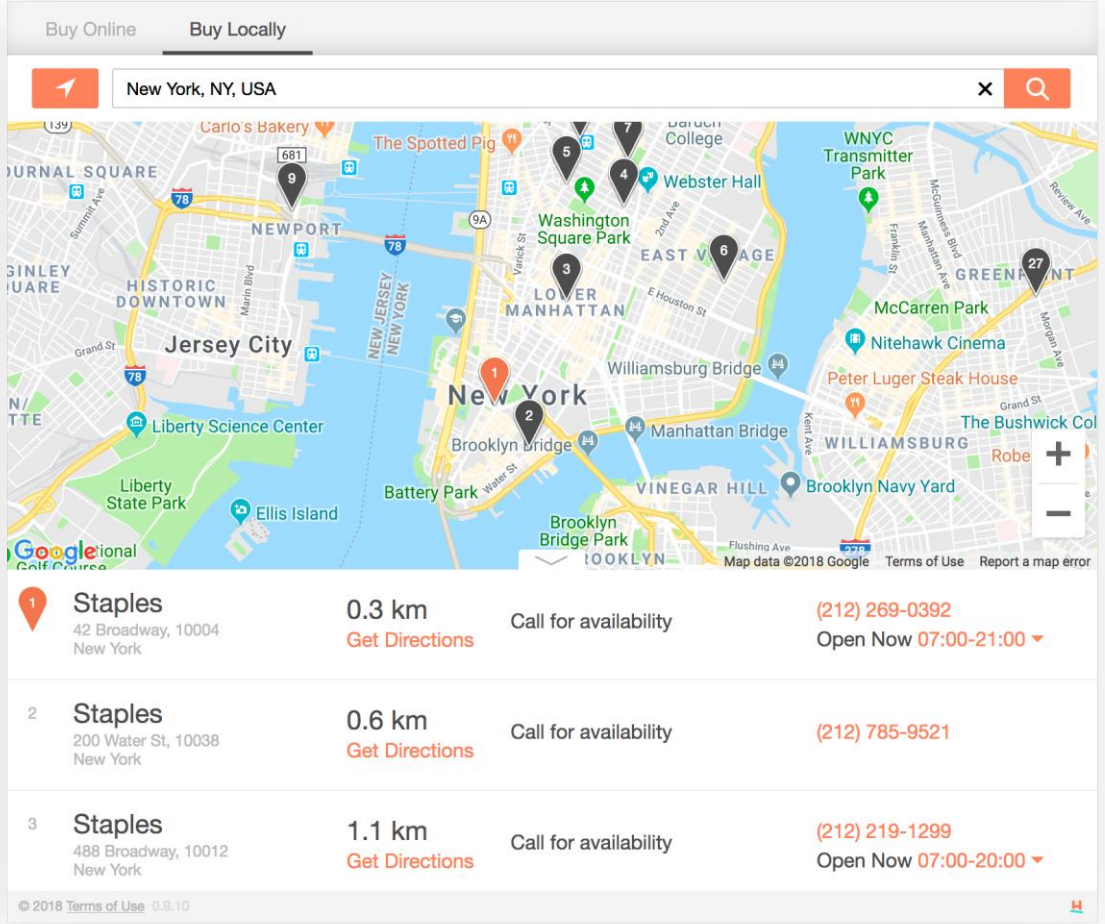
Interbrand Best Global Brands 2018

SOLUTIONS TO BRIDGE THE EXPECTATION GAP

BLUR LINES BETWEEN DIFFERENT SALES CHANNELS



ONLINE RETAILERS



NEARBY STORES

BRIDGING THE CONSUMER EXPECTATIONS GAP

CREATING A SEAMLESS ONLINE CUSTOMER JOURNEY

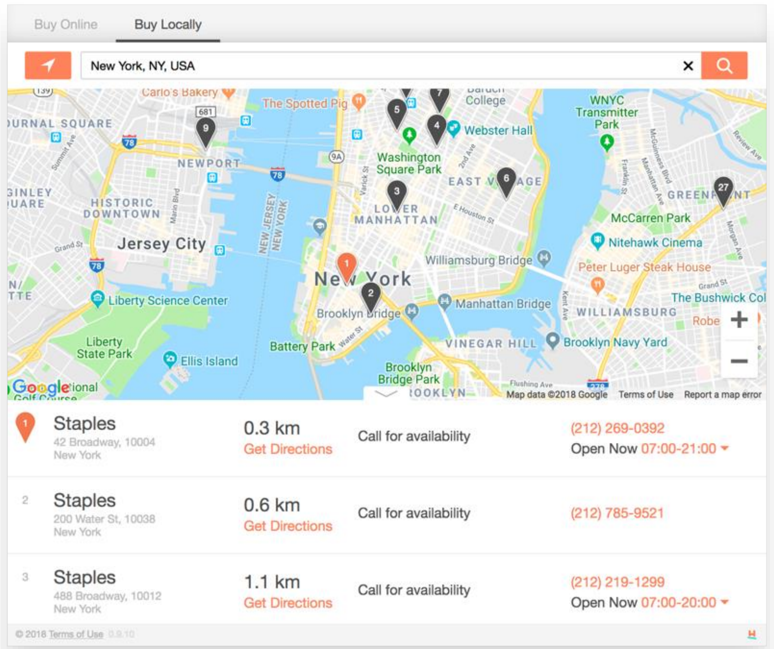
01 SELECT PRODUCT

02 SELECT RETAILER

03 COMPLETE PURCHASE

BRIDGING THE CONSUMER EXPECTATIONS GAP

CREATE A DIRECT PATH FROM YOUR SITE TO A LOCAL RETAILER



01 **SELECT PRODUCT**

02 **FIND A LOCAL RETAILER**

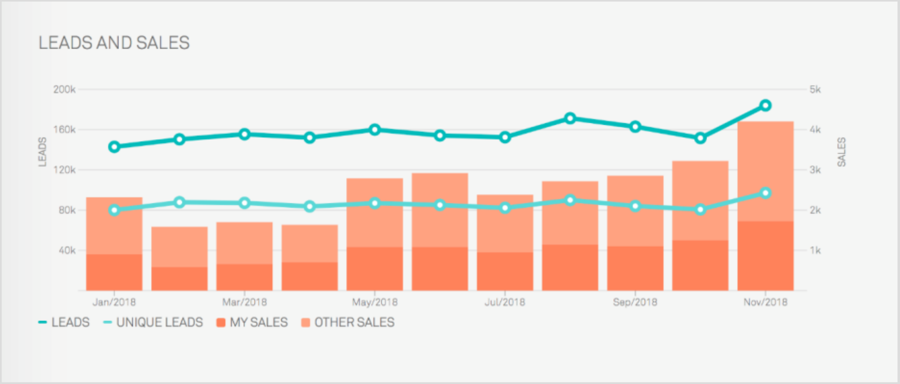
03 **COMPLETE PURCHASE IN-STORE**

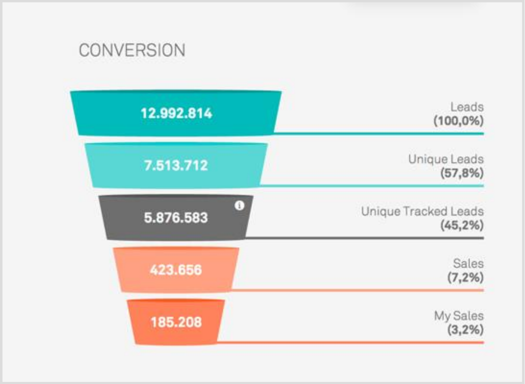
MAKE ANY TOUCHPOINT SHOPPABLE

CREATE A SEAMLESS EXPERIENCE

BRIDGING THE CONSUMER EXPECTATIONS GAP

EXPERIMENT, MEASURE AND OPTIMIZE

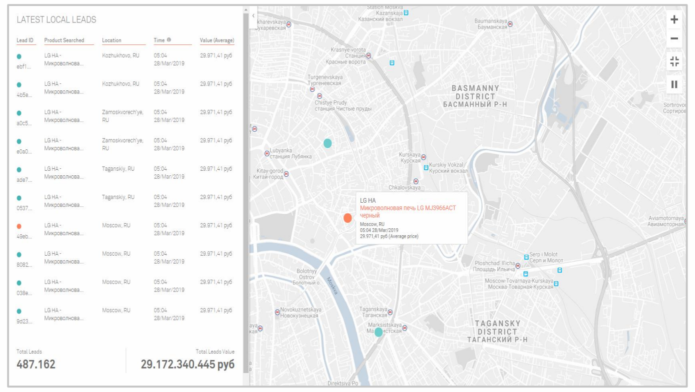




PRODUCT PERFORMANCE

PRODUCT NAME	LEADS	POTENTIAL SALES	UNIQUE TRACKED LEADS	MY SALES	MY SALES VALUE	MY CONVERSION
1. Philips OneBlade QP2520/20 Wet & Dry Charcoal,Lime b... MPN: QP2530/30	366.204	€18.329.798	174.901	0	0	0,0%
2. Philips Lumea Prestige IPL - Hair removal device BRI956... MPN: BRI956/00	125.359	€77.959.217	57.136	0	0	0,0%
3. ASUS PG27UQ 27" 4K Ultra HD LED Flat Black computer... MPN: PG27UQ	64.952	€122.661.046	26.721	0	0	0,0%
4. Philips 9000 series 4K Razor-Slim OLED TV powered by ... MPN: 55POS9002/12	61.939	€114.501.227	29.981	0	0	0,0%
5. Philips Avance Collection HD9652/90 Single Stand-alon... MPN: HD9652/90	61.795	€21.243.756	23.443	0	0	0,0%

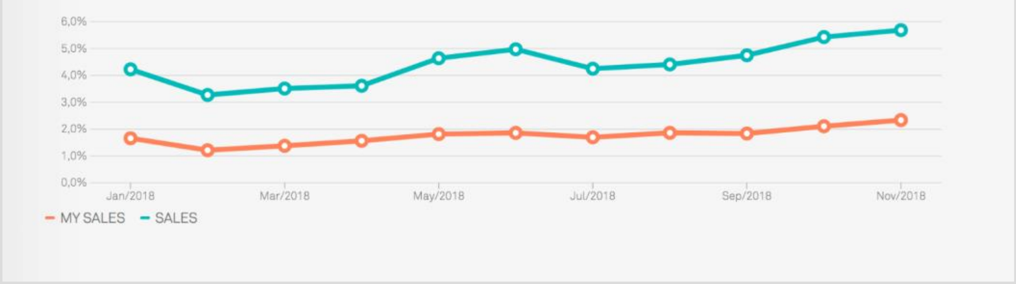
SHOW MORE



RETAILER PERFORMANCE

RETAILER NAME	LEADS	POTENTIAL SALES	UNIQUE LEADS	MY SALES	MY SALES VALUE	MY CONVERSION
1. Amazon	2.659....	€2.109.405.512	1.844.155	0	0	0,0%
2. Mediamarkt	1.051....	€461.505.961	866.943	0	0	0,0%
3. Bol.com	605.801	€84.440.240	513.479	0	0	0,0%
4. Saturn	559.849	€188.382.370	480.366	0	0	0,0%
5. Amazon.com, Inc	423.898	€287.161.123	326.659	0	0	0,0%

SHOW MORE



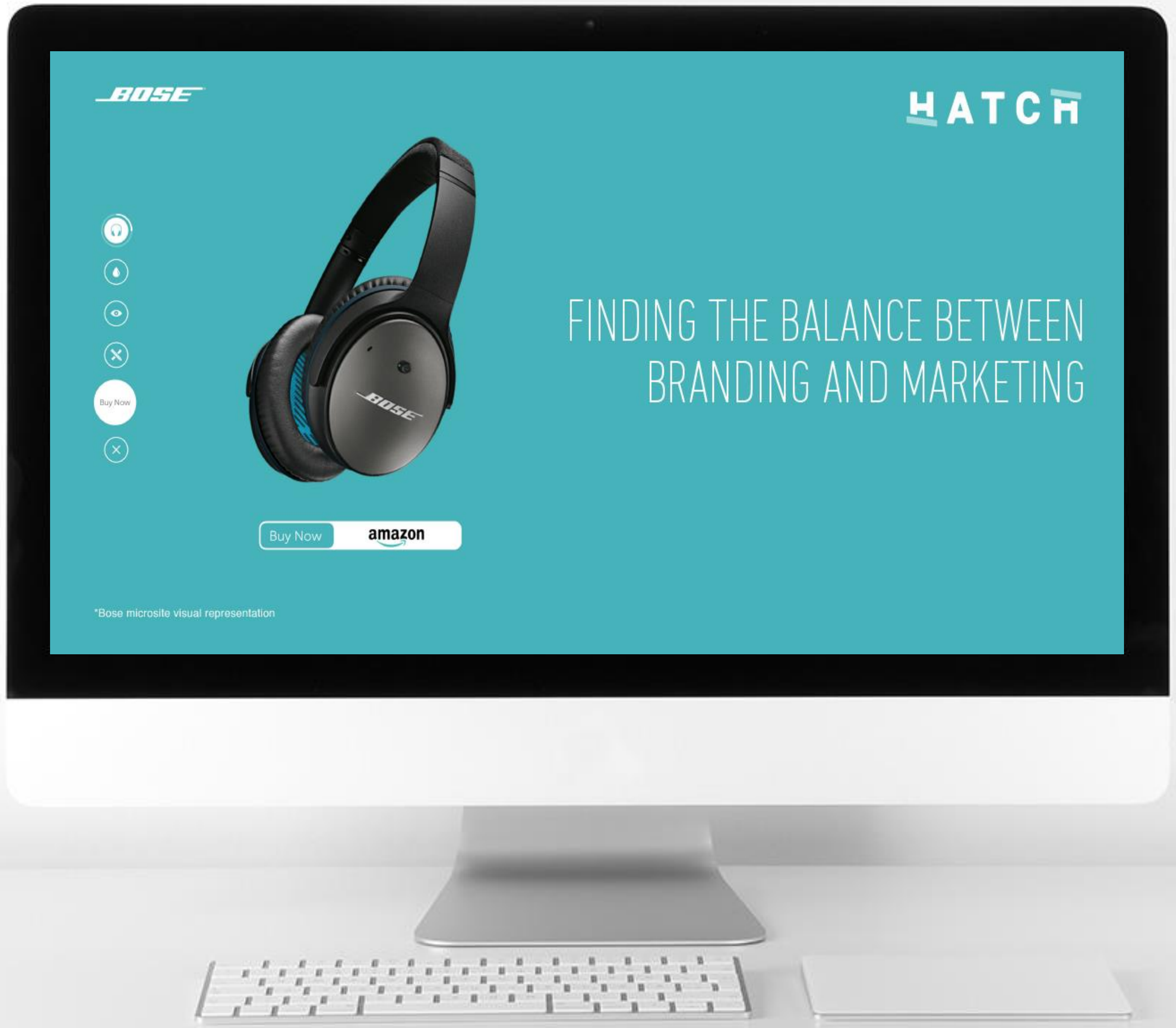
HATCH BUSINESS CASES & EXAMPLES

BOSE CAMPAIGN

LAUNCH OF THE QC 35 HEADPHONES

When Bose launched the QC 35 headphones they wanted to target business travelers. They built a microsite featuring retailers powered by Hatch.

With LinkedIn they targeted frequent travelers and within the Google Display Network they retargeted prior visitors with co-branded banners taking consumers directly to the checkout at the retailer using Hatch technology.

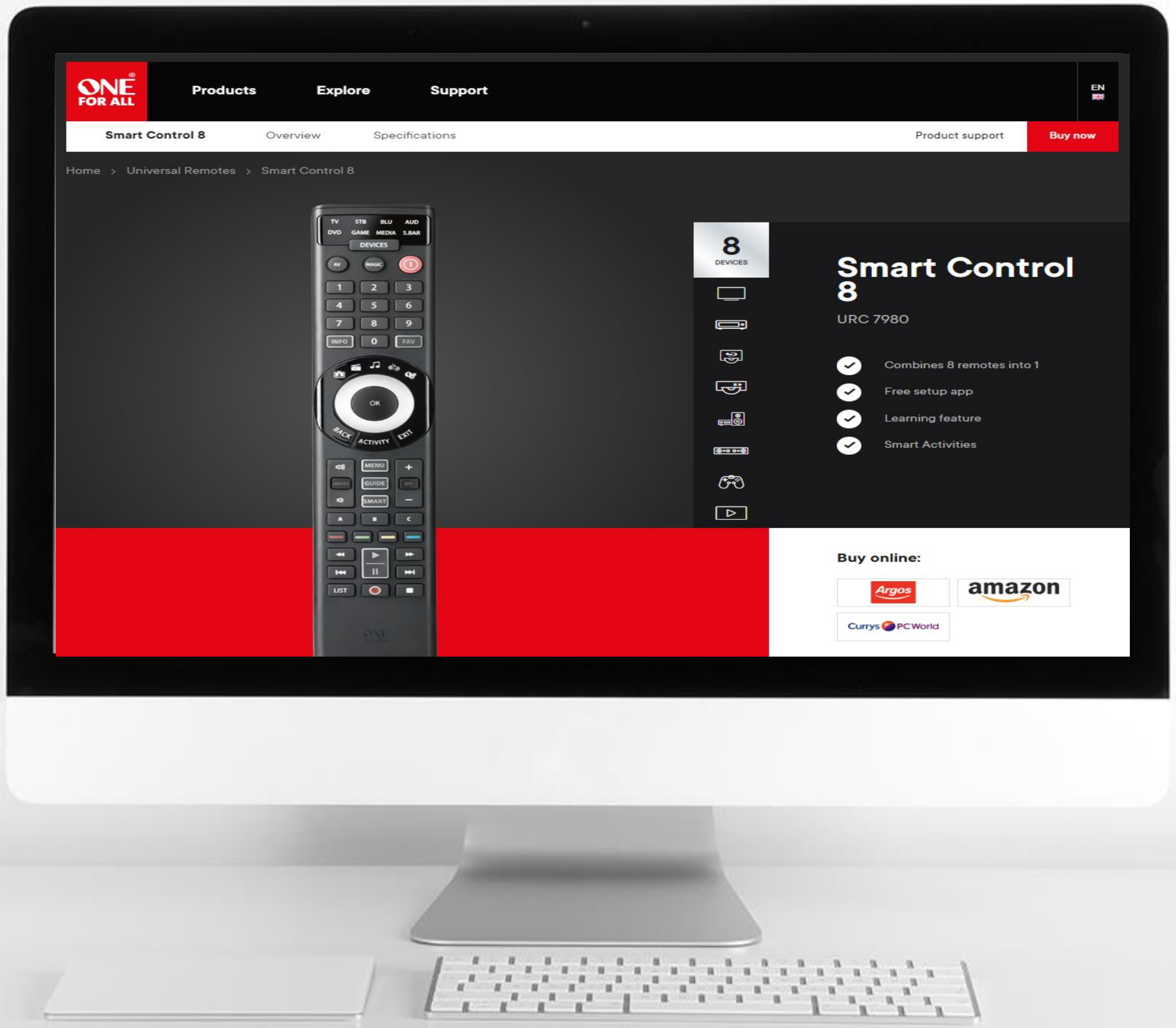


KEY RESULTS

- 31.011 leads generated monthly
- 388 % increase in CTR
- 2X improvement in conversion performance
- Massive increase in ROI

ONE FOR ALL | ON-SITE IMPLEMENTATION

BOOSTING LEADS AND SALES THROUGH RETAIL



One for all recognized that over 90% of sales came from retail partners and their D2C operations where underperforming and it was also not cost effective.

One for all chose to abandon the D2C model and focus solely on indirect sales, by letting the transaction and fulfillment take place at the retailer by implementing Hatch Where to Buy technology.

KEY RESULTS

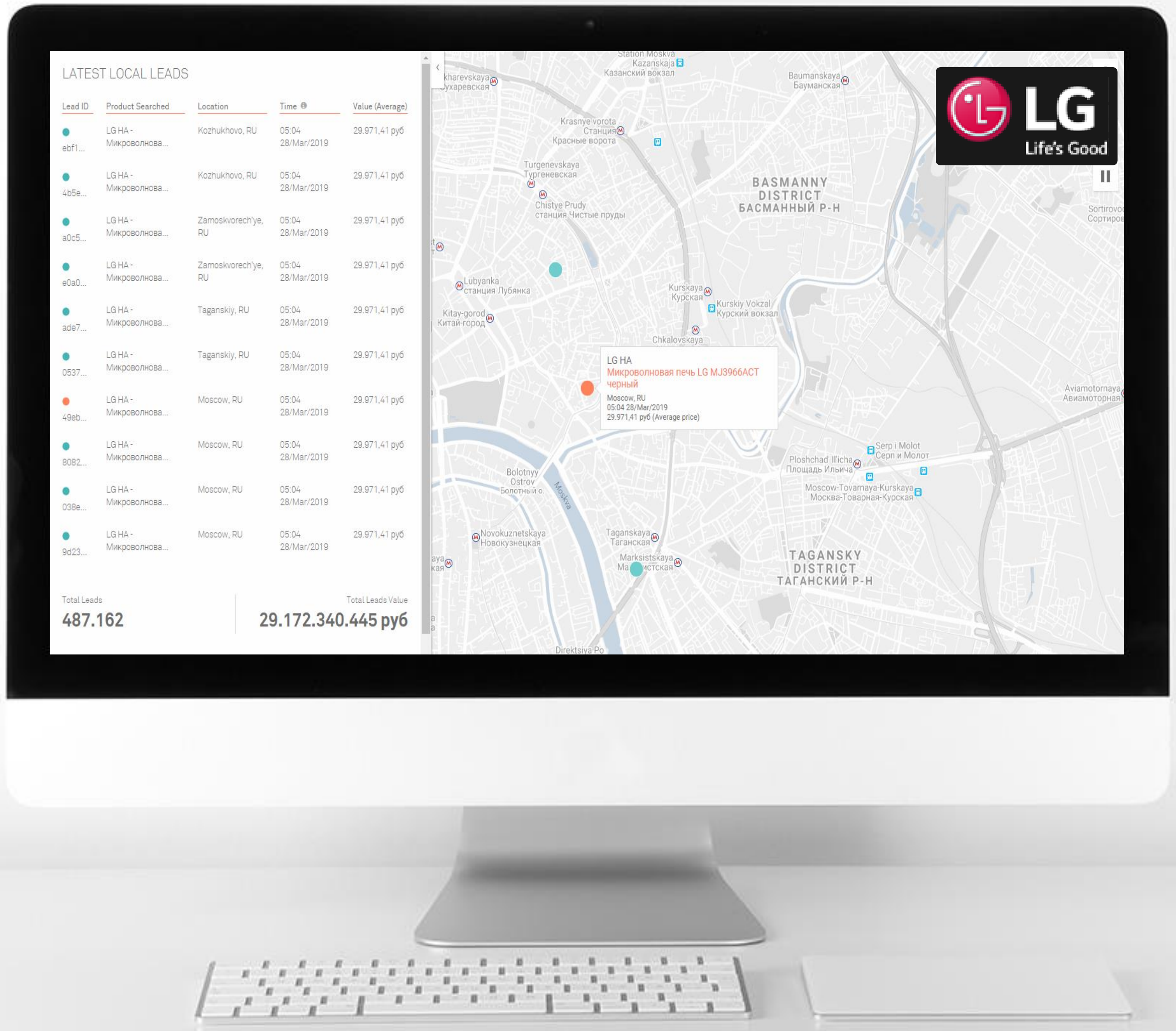
- 8.1% AVG conversion for outbound clicks/ retail leads
- 17% incremental channel sales
- 133% improvement in overall sales conversion

LG RUSSIA | WTB-LOCAL IMPLEMENTATION

DRIVING SALES TO LOCAL STORES

LG understands that many consumers want to see, touch and feel a product before making an expensive purchase. For that they rely on their local retailers.

Instead of a normal postal code dealer locator, LG has implemented WTB Local from Hatch showing consumers with a specific product interest to a nearby store to buy that product.



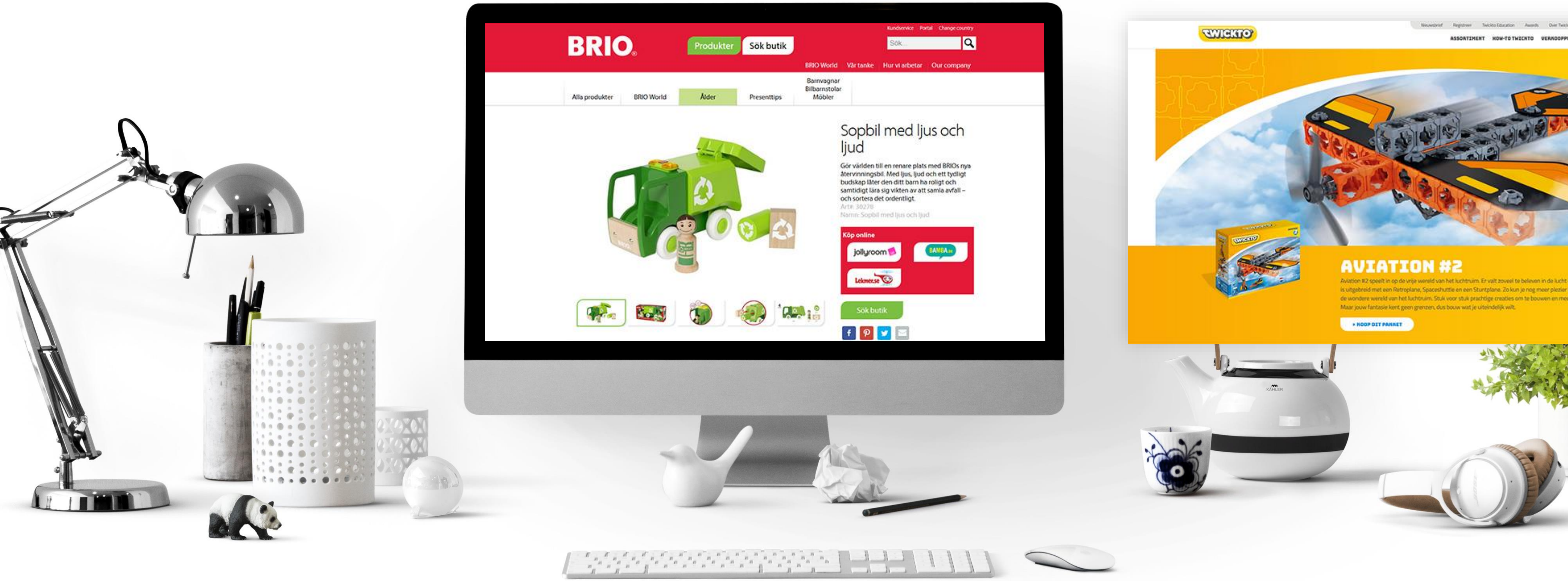
KEY RESULTS

- 487.000 store leads generated
- A potential sales value of 29 Billion Ruble
- Automated a very labor intensive job for LG maintaining store location data and opening hours

BRIO

IMPLEMENTATION EXAMPLES

(Click the screen to see a Live example)



IMPLEMENTATION EXAMPLES

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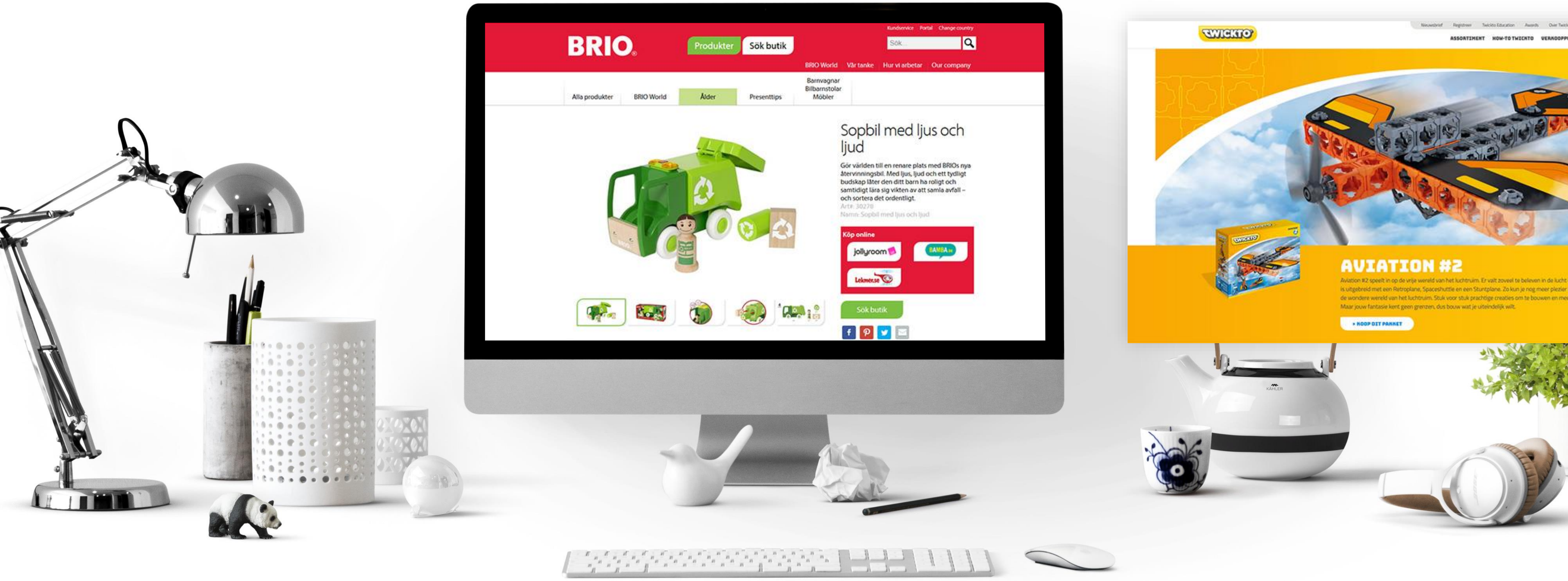
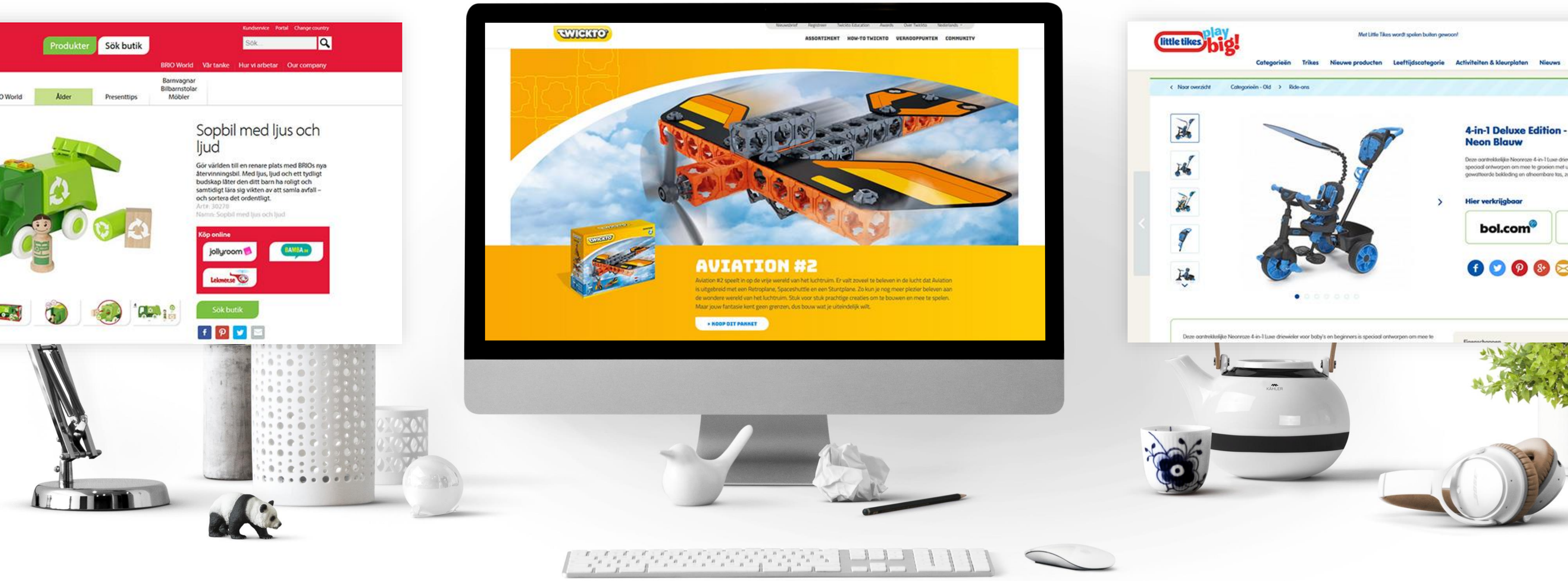


HATCH

play TWICKTO!

IMPLEMENTATION EXAMPLES

(Click the screen to see a Live example)



SOME OF THE TOYS RETAILERS WE WORK WITH

mothercare

myToys
Einfach alles für Ihr Kind

THYS TOYS

babymarkt
Klick. Klick. Glück.

Oxybul
éveil et jeux

DreamLand

SPIELE MAX
BABY + SPIELZEUG + MODE

wehkamp

bol.com

cool blue

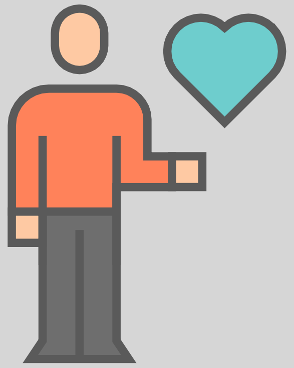
TOP1TOYS
Nummer één in speelgoed!

SMYTHS
TOYS SUPERSTORES

WHAT'S IN IT FOR ME?

RETAILER

Free leads
High conversion rates
Brand Exposure
No cost



BRAND

Incremental sales
More marketing ROI
Enhanced CX
Insights
Omnichannel

CONSUMER

Seamless path to purchase
Options to buy
Buying confidence

HATCH

THANK YOU!

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