

Online Presence*

Country	% of retailers with online catalogue	% of retailers who can deliver to market
United Kingdom	90%	44%
Germany	86%	41%
France	87%	38%
Spain	85%	37%
Italy	86%	30%
Sweden	71%	25%
Ireland	79%	24%
Poland	87%	24%
Czech Republic	78%	19%
Russia	80%	9%

* Applies to all retail, not just grocery. Courtesy CBRE.

(serving online customers only) in Aylesford, Greenford and Croydon, and Waitrose poised to launch a massive 100,000 square foot dark store in Acton, London, in October.

“The success of online is very much about customer choice,” says Denney-Finch.

“Today, when I go home, I might do my weekly shop online for my big brands. Then, I might stop into a supermarket or convenience store and buy something depending on what my mood is and what my particular need is. That’s definitely the case with fresh produce; people like to select fruit and vegetables for themselves. Although that’s changing too - Waitrose,

challenges involved in e-commerce are another potential stumbling block to the development of online-only retailers. A recent study by CBRE of 320 retailers across 15 countries found that while an online platform is now a minimum requirement for retailers seeking international expansion, the physical store is still a necessary requirement owing to the distribution challenges of online platforms.

The CBRE study, ‘Multi-Channel Retailing Essential for Global Growth’, sought to uncover the percentage of retailers in each country that offer an online browsing capacity on their websites, and what percentage can also deliver to their key market (taking into account fashion,

for example, has just introduced an initiative where shoppers can actually say how ripe they want their bananas; how ripe they want their fruit. But I don’t think we’ll see, overnight, all shoppers suddenly turning around and saying ‘I want to do everything online’.”

The supply chain

homeware, electronics and supermarket retail). It found that 90 per cent of retailers in the UK offer an online catalogue, while 44 per cent can deliver; the highest in Europe. Also performing strongly were Germany (not, traditionally, a strong online market, particularly in the supermarket trade), with 86 per cent offering an online catalogue and 41 per cent delivering, and France, where 87 per cent offer an online catalogue and 38 per cent deliver. Owing to its size, while 80 per cent of Russian retailers in the study offer an online browsing facility, only 9 per cent deliver, while in Serbia, 80 per cent offer online browsing, but only 1 per cent deliver.

Denney-Finch believes that online is still in its infancy, and we could be some years away from seeing a major multiple choose to fully embrace online. “It’s growing exponentially, but the numbers are still relatively small. That having been said, that doesn’t stop one or two individuals from specialising in online and competing as specialists [Ocado in the UK is a prime example of this]. But if you’re going to compete as a specialist, you absolutely need to get scale.” ■

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SUPPLIER COLLABORATION THE MANTHAN SYSTEMS WAY

One of the more interesting presentations at the Retail and CPG Forum came from Hiren Doshi, Senior Vice President, Manthan Systems, on the subject of supplier collaboration, and how a single collaboration platform can offer cost savings, improve inventory and supplier performance, and deliver consistent results.

“Supplier collaboration has matured as a concept,” he explains, “however, the commonly-used model of departmentalised collaboration can be hard to manage. Different departments often have different objectives, so what happens over time is that all the initiatives you develop are lost, and the level of complexity increases.”

The inherent deficiencies in a departmentalised approach, he explained, are a lack of data integration, no decision support capabilities, no automation process integration, and a restricted ‘one-way’ communication model. “We analysed some of the top \$5 billion-plus retailers around the globe to see how their collaboration system worked,” says Doshi. “One top UK retailer had 14 different applications with different systems in each. That’s a lot of unnecessary complexity.”

Manthan Systems argue that the future of supplier collaboration is through a single supplier collaboration platform, which can benefit suppliers right across the supply chain. It can assist with the

automation of processes, rather than just activities; a single platform can assist with the development of new product campaigns, and deliver actionable information to both retailers and suppliers. “Very few retailers are able to evaluate their suppliers across the same set of parameters,” Doshi explains. “A single supplier collaboration platform can help you analyse who your core suppliers are, and how they can benefit your business.”

Manthan Systems’ Supplier Portal and Analytics service

automates and enables complete visibility across all the transactions between suppliers and retailers, provide an effective two-way collaborative platform and enable vendors to analyse product performance and better manage their inventory. One major (\$6bn) retailer experienced a 15 per cent improvement in purchase order corrections, a 5 per cent improvement in vendor fill rate and an OOS reduction of 1.5 per cent in the first eight months. “Also, once one of their core suppliers saw how effective the system was, they signed up to it as well,” says Doshi. “It just makes good business sense.”

For more information, visit www.manthansystems.com

