Google
For whom?
Impact of digital on the Retail industry
gifs.com

Google in Belgium

Confidential + Proprietary

Google in Belgium

Service
Belgium

EU
Policy

Data
Centre

Data center in Belgium

Google & Alphabet

Confidential + Proprietary

The early stages

1998

Search the web using Google!

10 results | Google Search | I'm feeling lucky

Index contains ~25 million pages (soon to be much bigger)

About Google!

Stanford Search Linux Search

Get Google! updates monthly!

your e-mail | Subscribe | Archive

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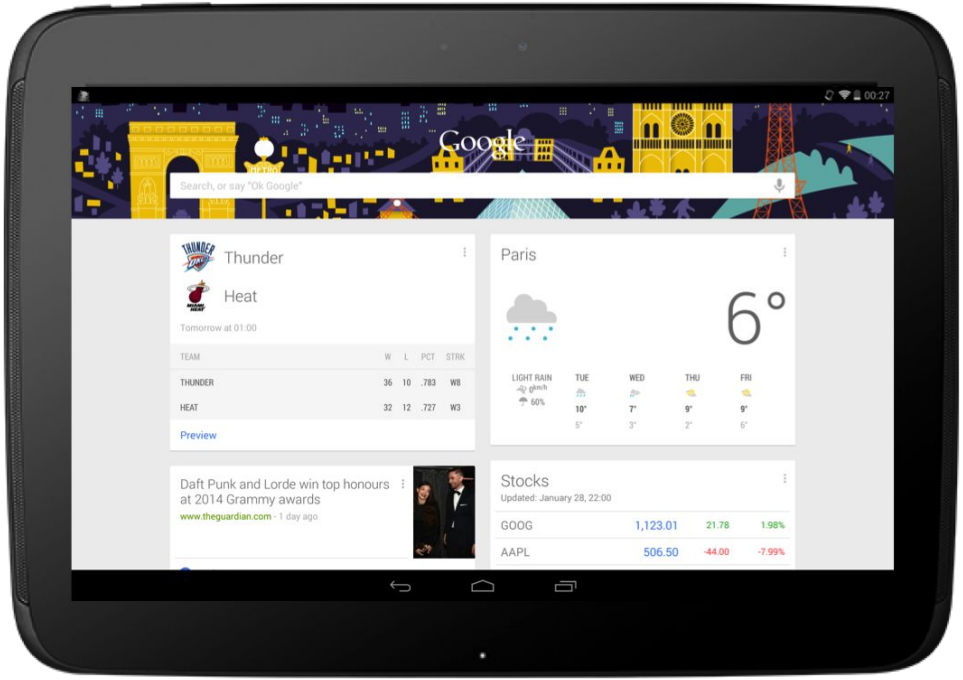
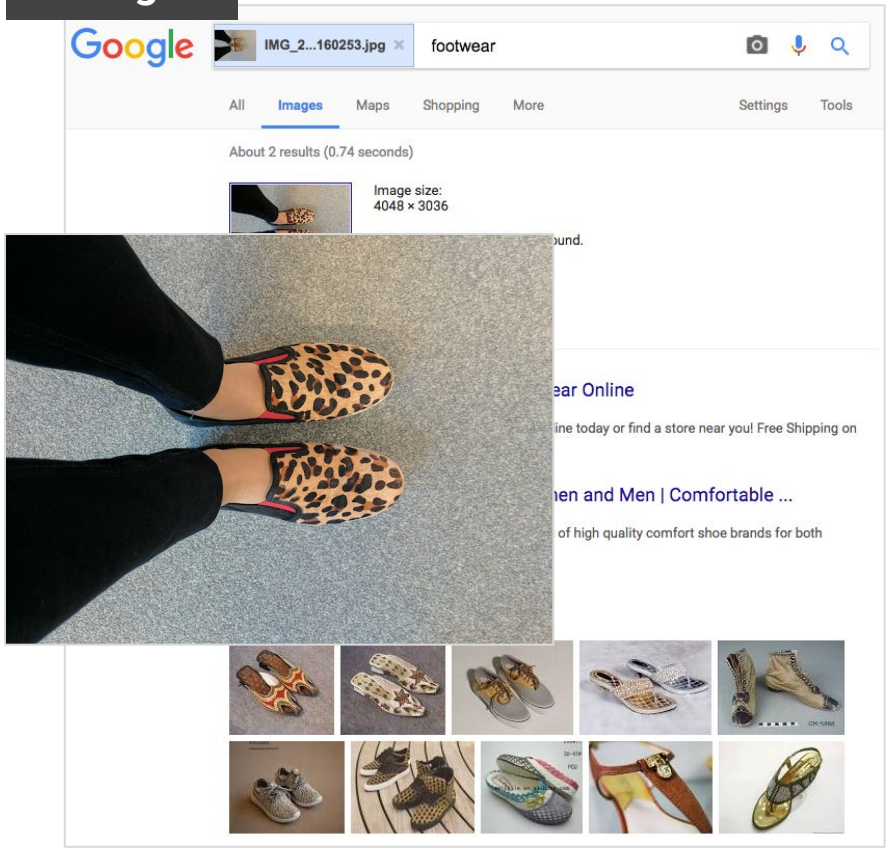
Google Now

2017



Google Search - Evolutions

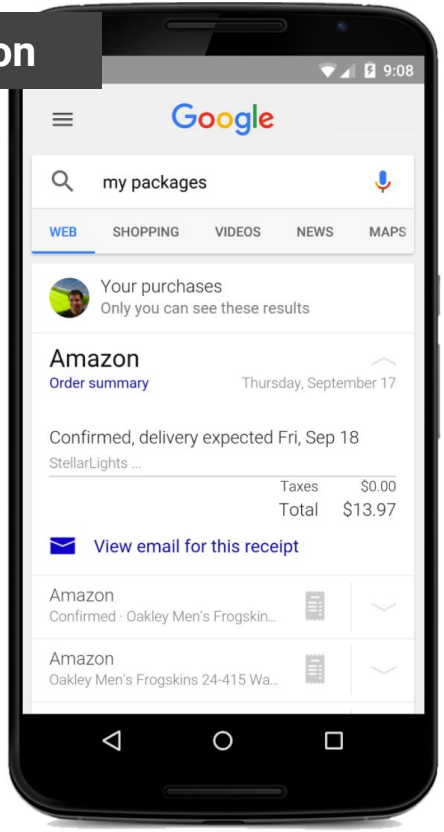
Image



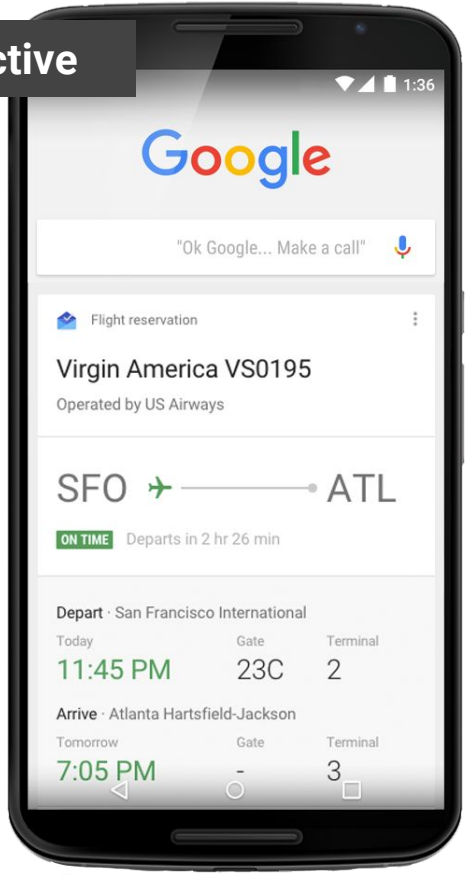
Voice

Google Search - Evolutions

Connection



Predictive

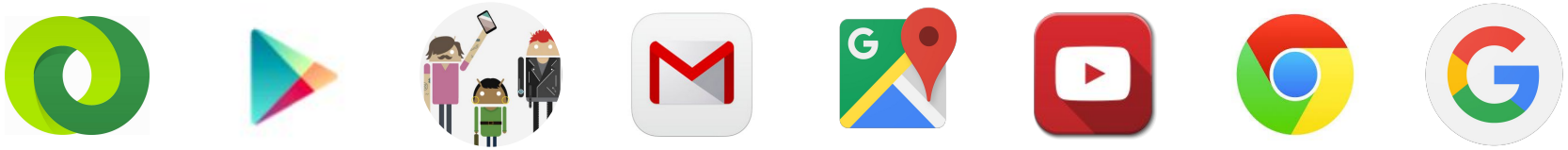


Alphabet Group & Google

Alphabet projects

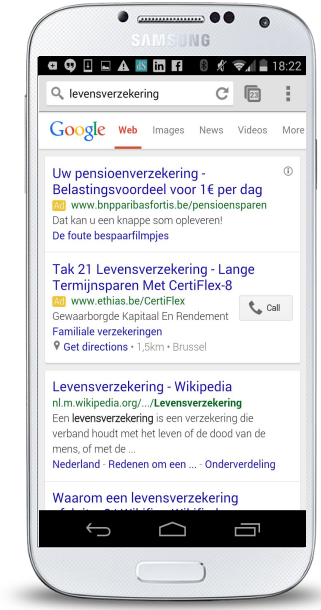
7 apps with +1bio reach

1B+ 1B+ 1B+ 1B+ 1B+ 1B+ 1B+

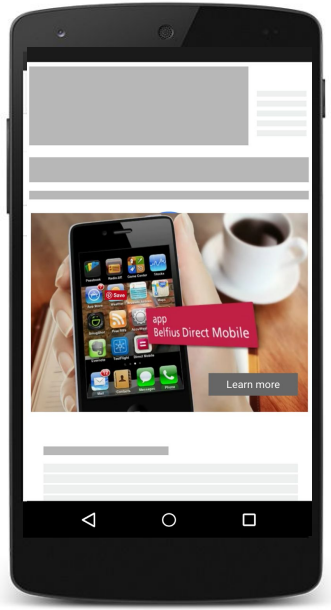


From Basic media solutions

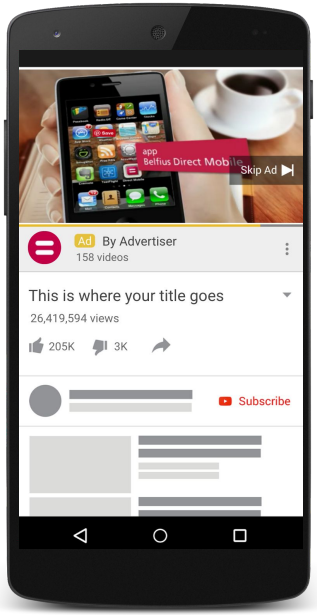
Google Belgium



Google Display Network



YouTube



Programmatic

1

Joe is looking for a new house, he clicks a BNP search ad for Mortgages

Followed by a video ad perfectly in-line with the previous ad

YouTube

3

2

De Standaard

The day after, Joe sees a banner about same product

4

BNP PARIBAS FORTIS

Joe does a simulation on his mobile device

5

BNP PARIBAS FORTIS

Joe engages with the website several time in the following week

6

Joe visits his IBNP branch and becomes a mortgage client, giving his customer number

7

Joe isn't targeted anymore with Mortgage ads but is appropriately shown subsequent products/services all along his customer life cycle

Strategic focus on Artificial Intelligence & Machine Learning

Google Home

Rules and contingencies

Write a computer program with *explicit rules* to follow

```
if email contains V!agrå
  then mark is-spam;
if email contains …
if email contains …
```

Machine Learning

Write a computer program to *learn from examples*

```
try to classify some emails;

change self to reduce
errors;

repeat;
```

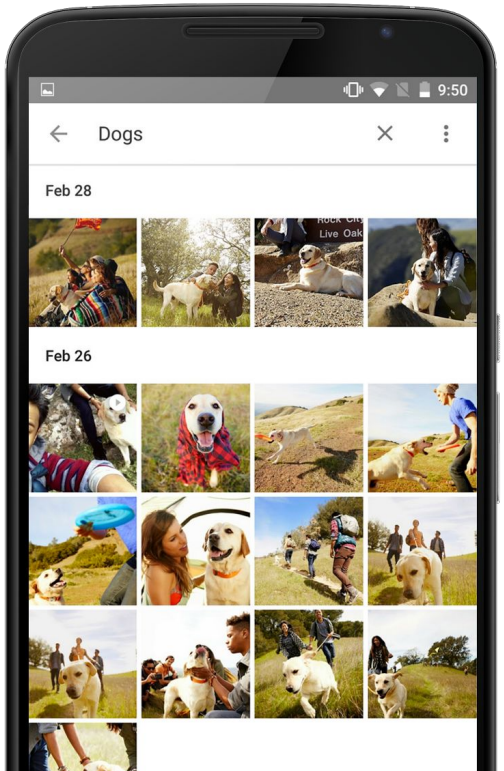
Machine Learning - Example of image recognition

Chihuahua
or
muffin?

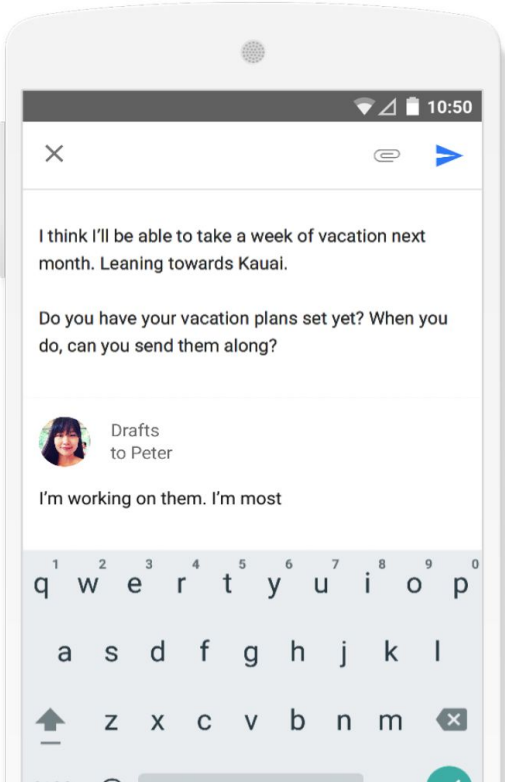
Confidential & Proprietary

Artificial Intelligence & Machine Learning - Google applications

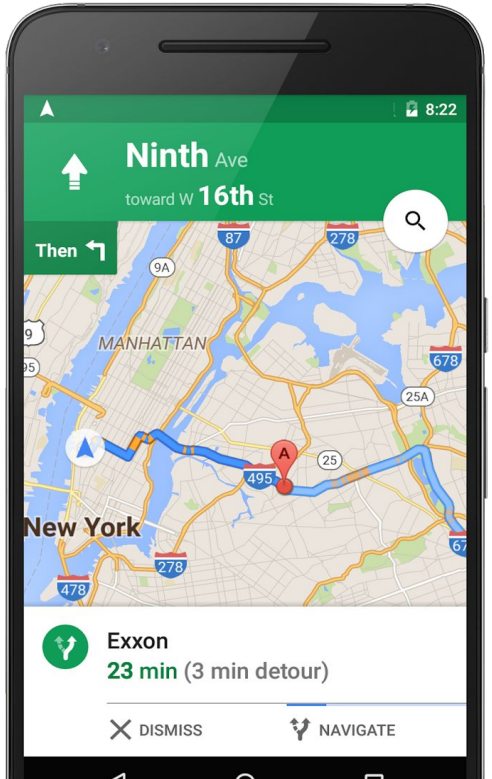
Photos



Inbox by Gmail

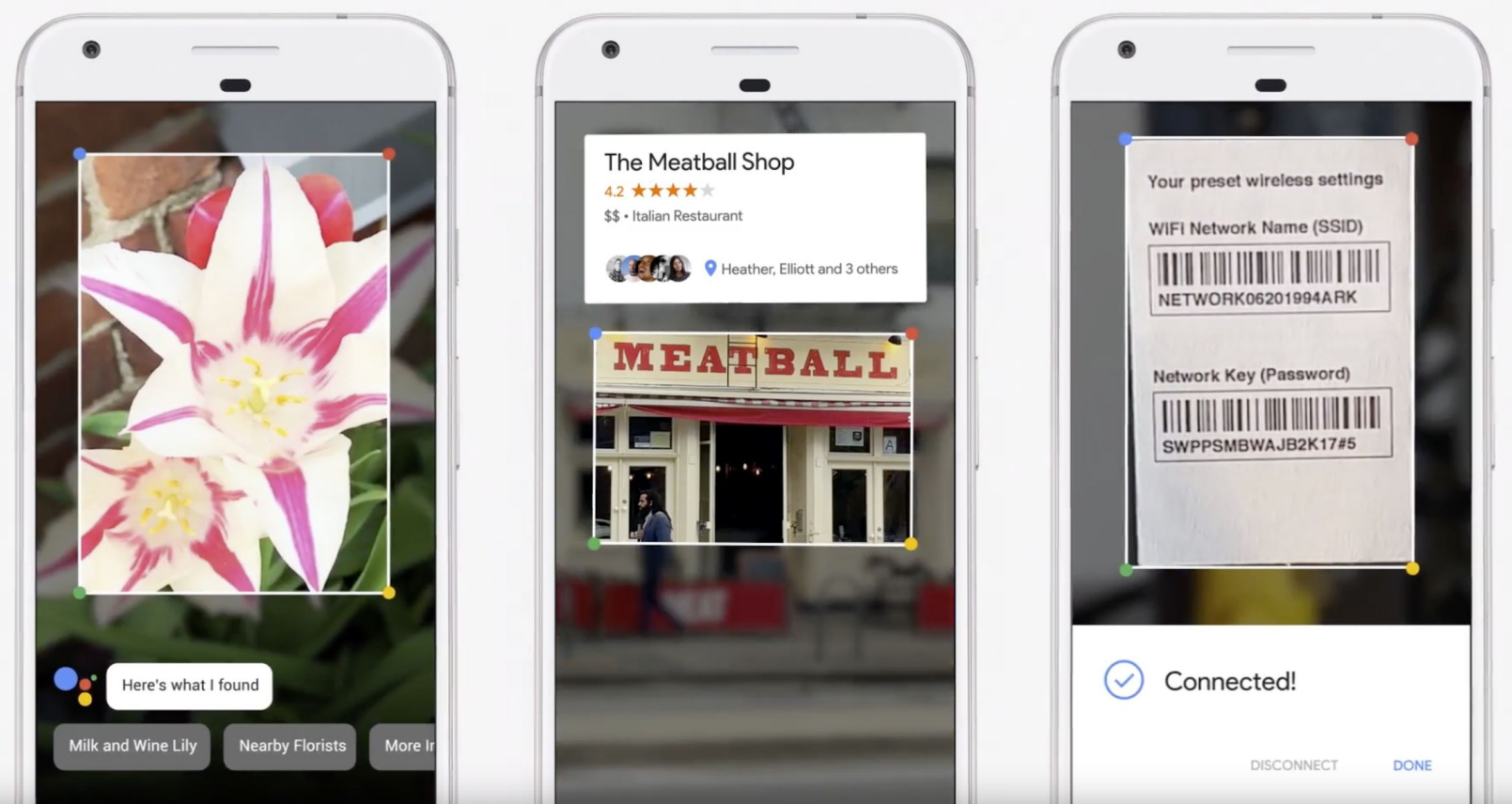


Maps



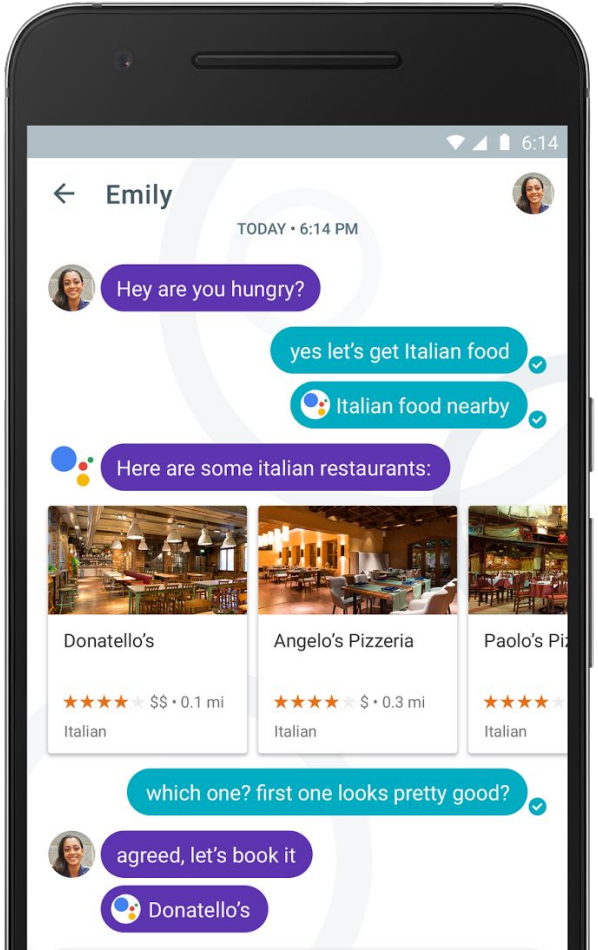
Artificial Intelligence & Machine Learning - Google applications

Google Lens

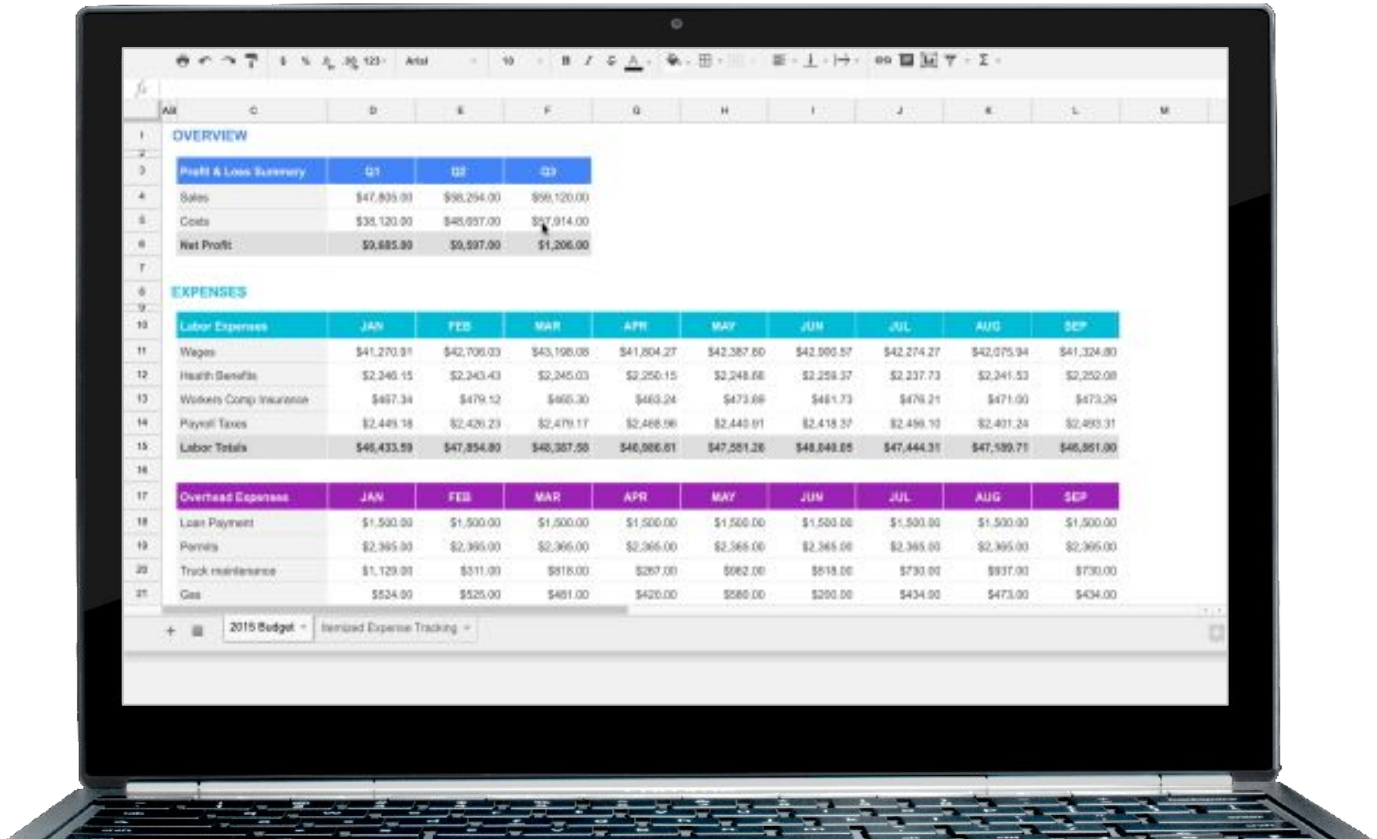


Artificial Intelligence & Machine Learning - Google applications

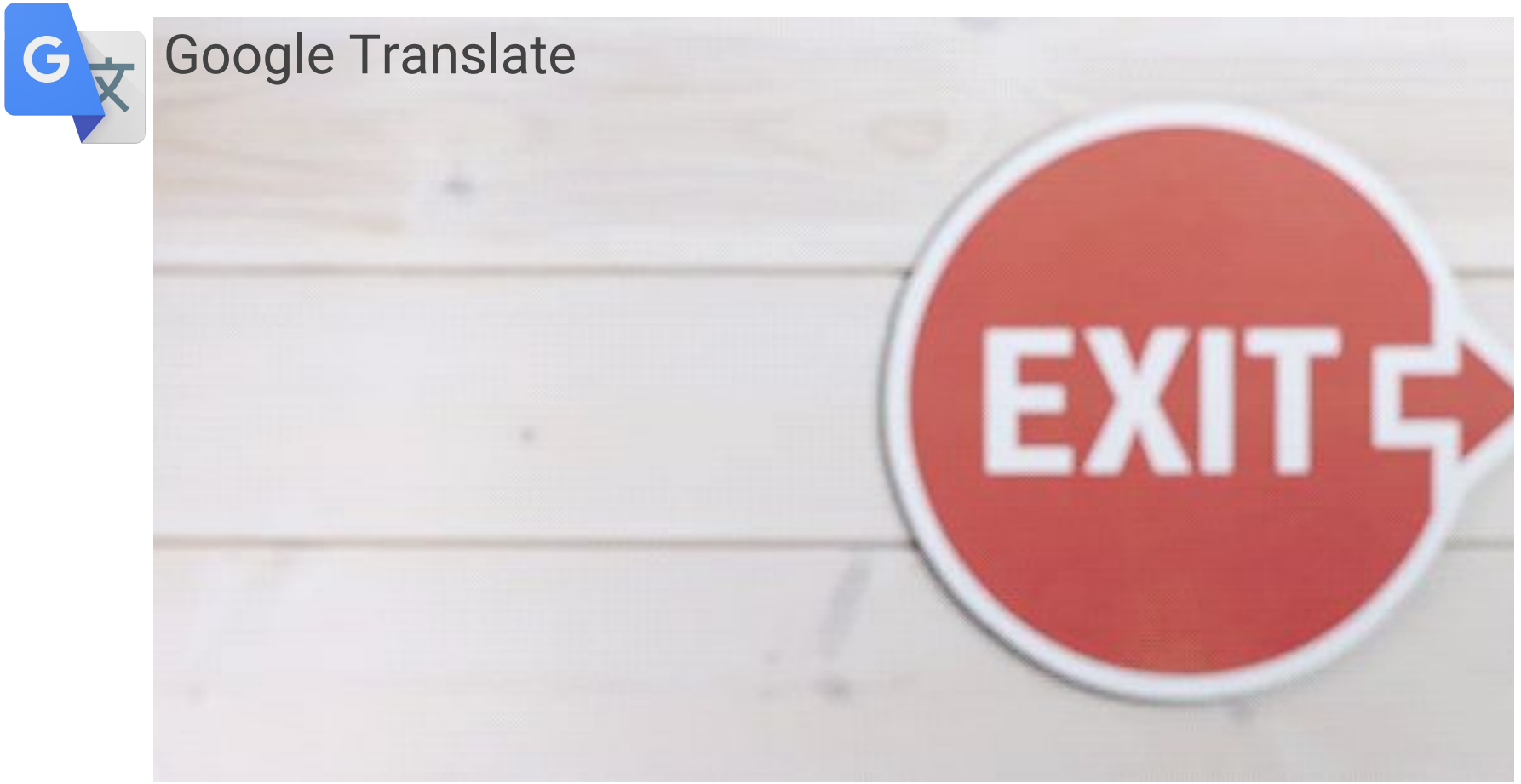
Google Allo



Artificial Intelligence & Machine Learning - Google applications



Artificial Intelligence & Machine Learning - Google applications



Artificial Intelligence & Machine Learning - Google applications

Artificial Intelligence & Machine Learning - Google applications

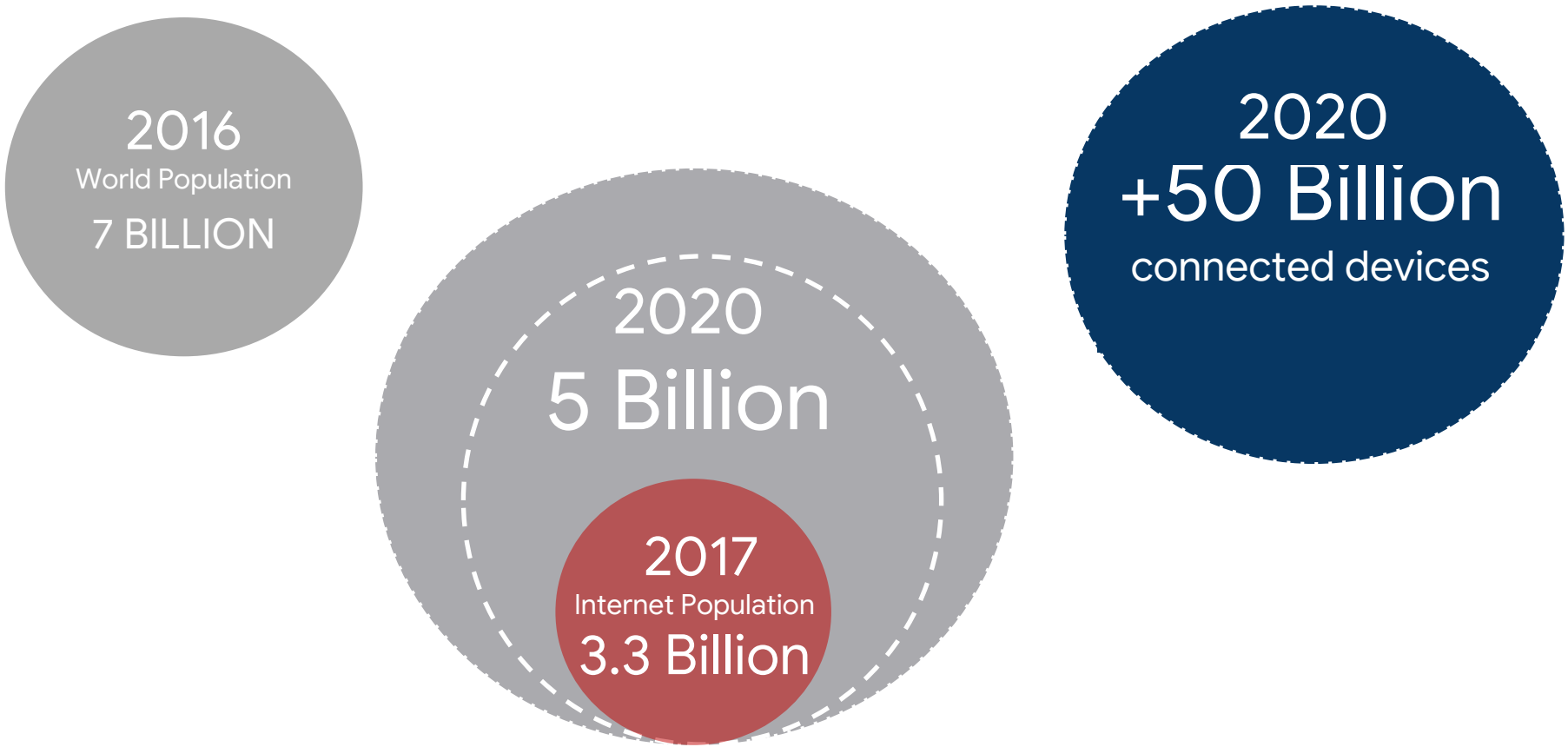
Digital in the world

Confidential + Proprietary

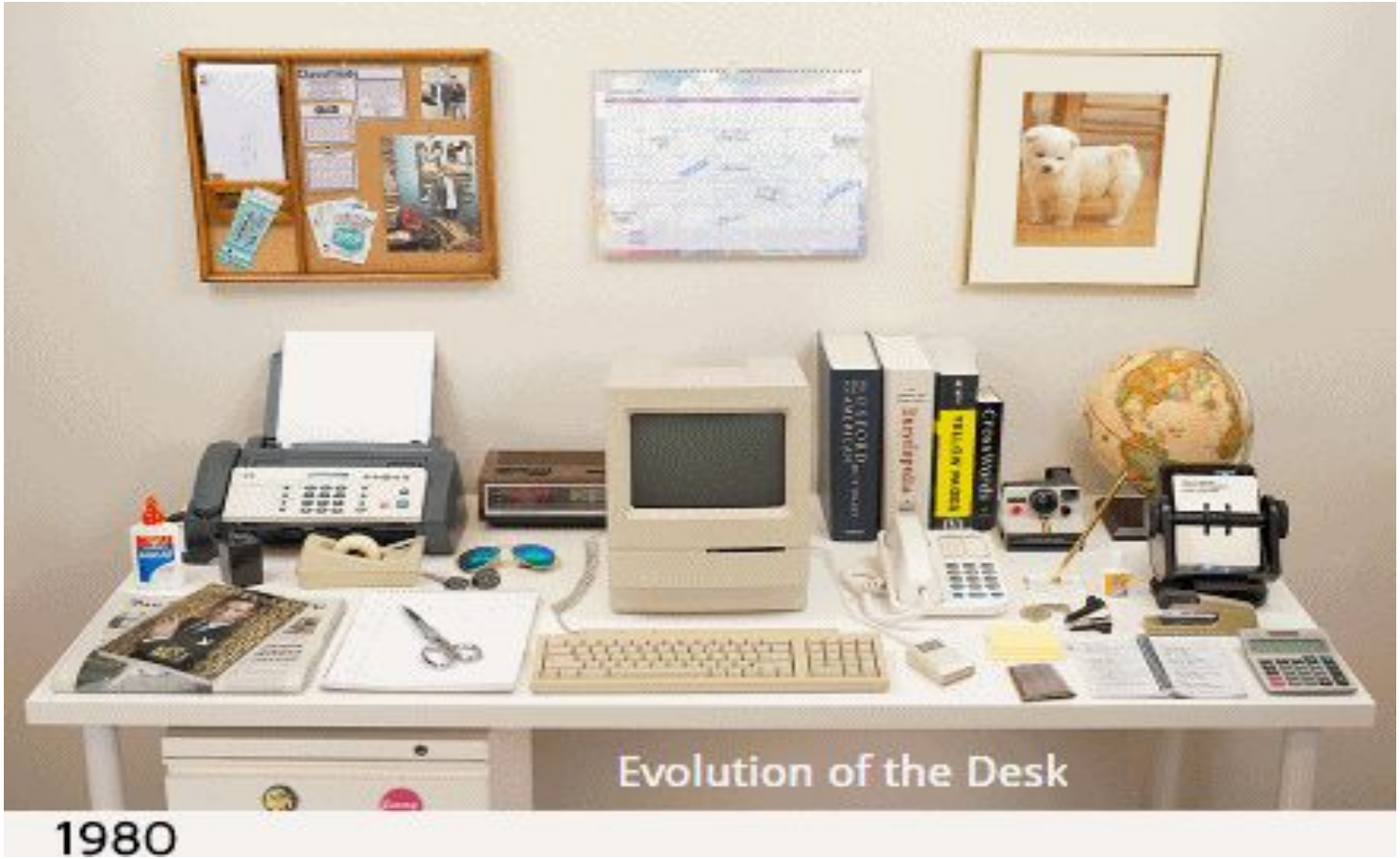
From generation...

To another...

Internet on the globe



Work is shifting too



Confidential + Proprietary

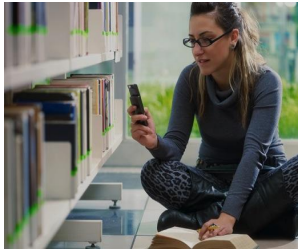
Online searches on the globe

Over 100 billion searches per month

… and 15% of daily queries we've never seen before

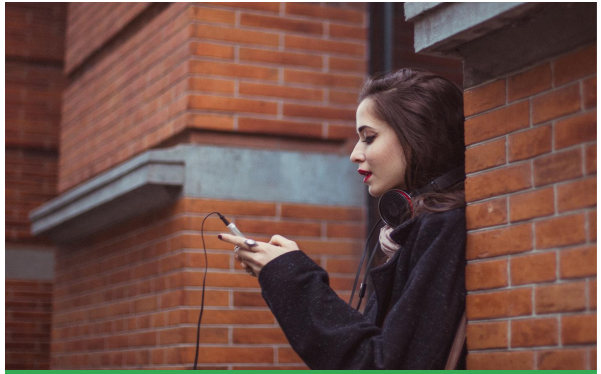
Go etary

We don’t go online, we live online

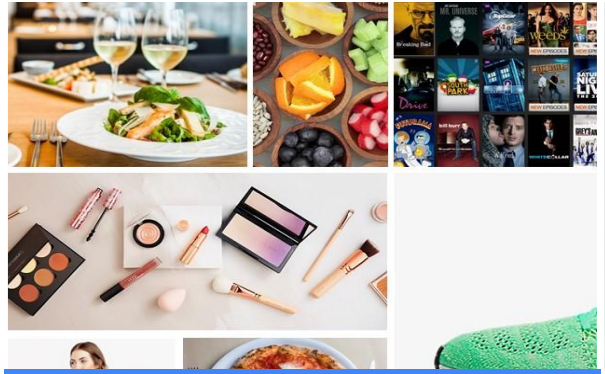


Confidential + Proprietary

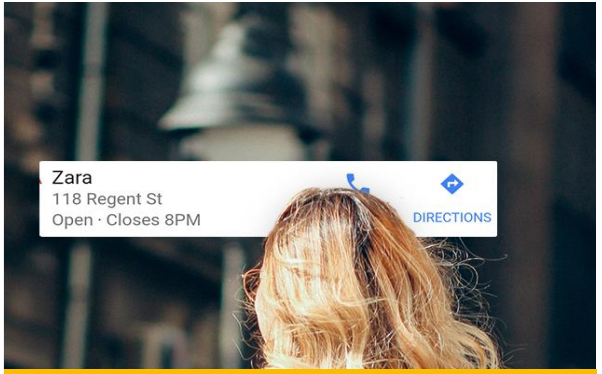
Consumer getting digitally demanding



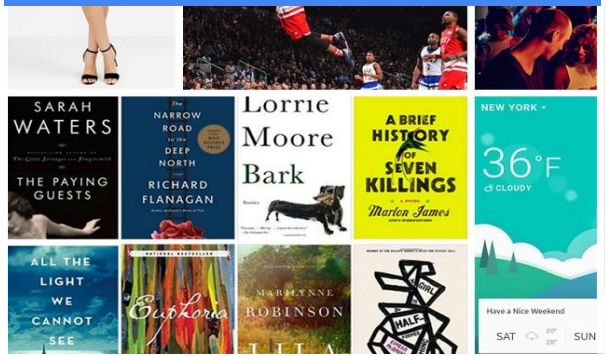
Be There
CONNECTIVITY



Be Valuable
DATA



Be Quick
AUTOMATION



Google

Digital in Belgium

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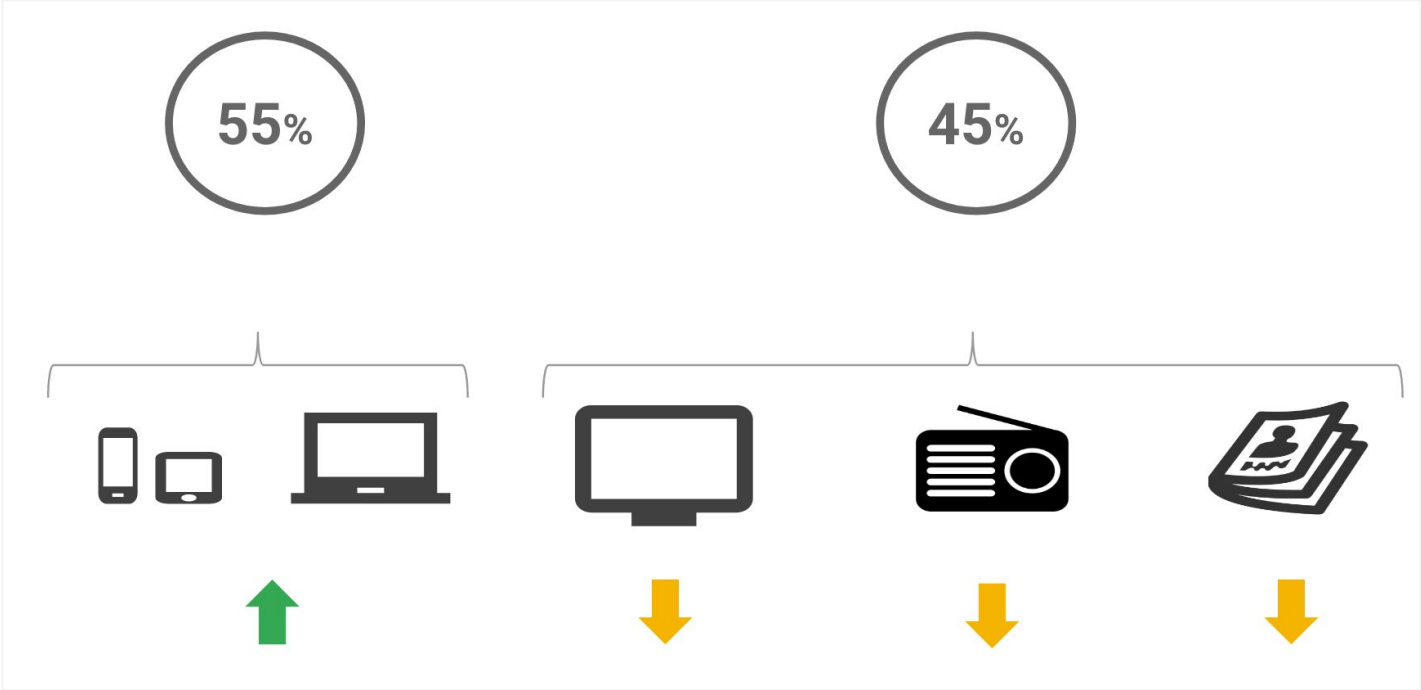
The Belgian paradox

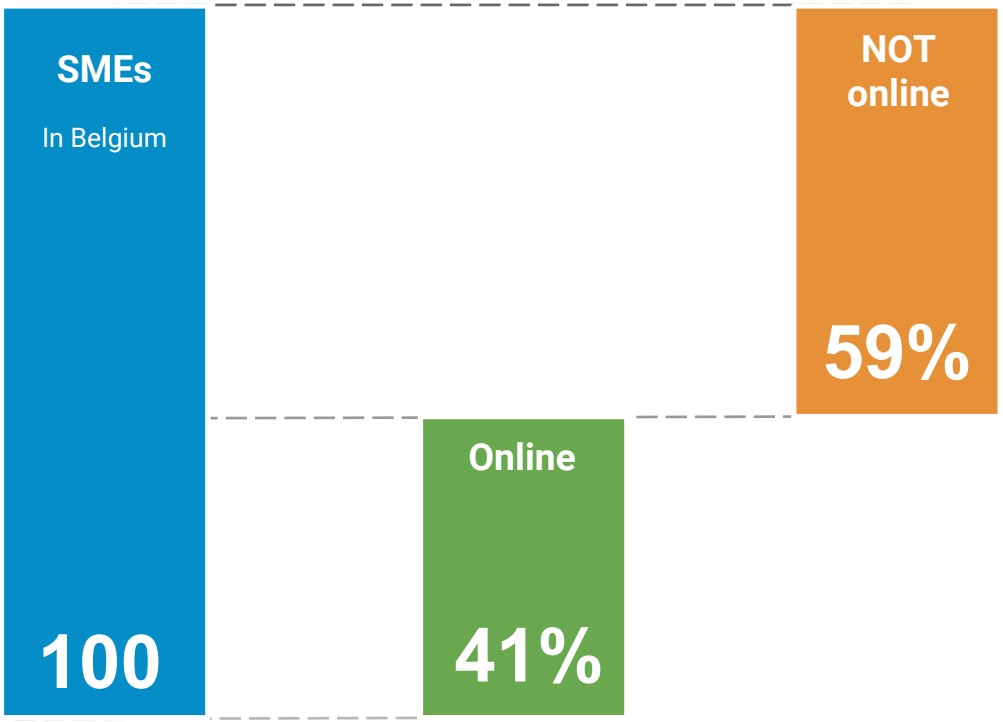
Digital consumption in Belgium



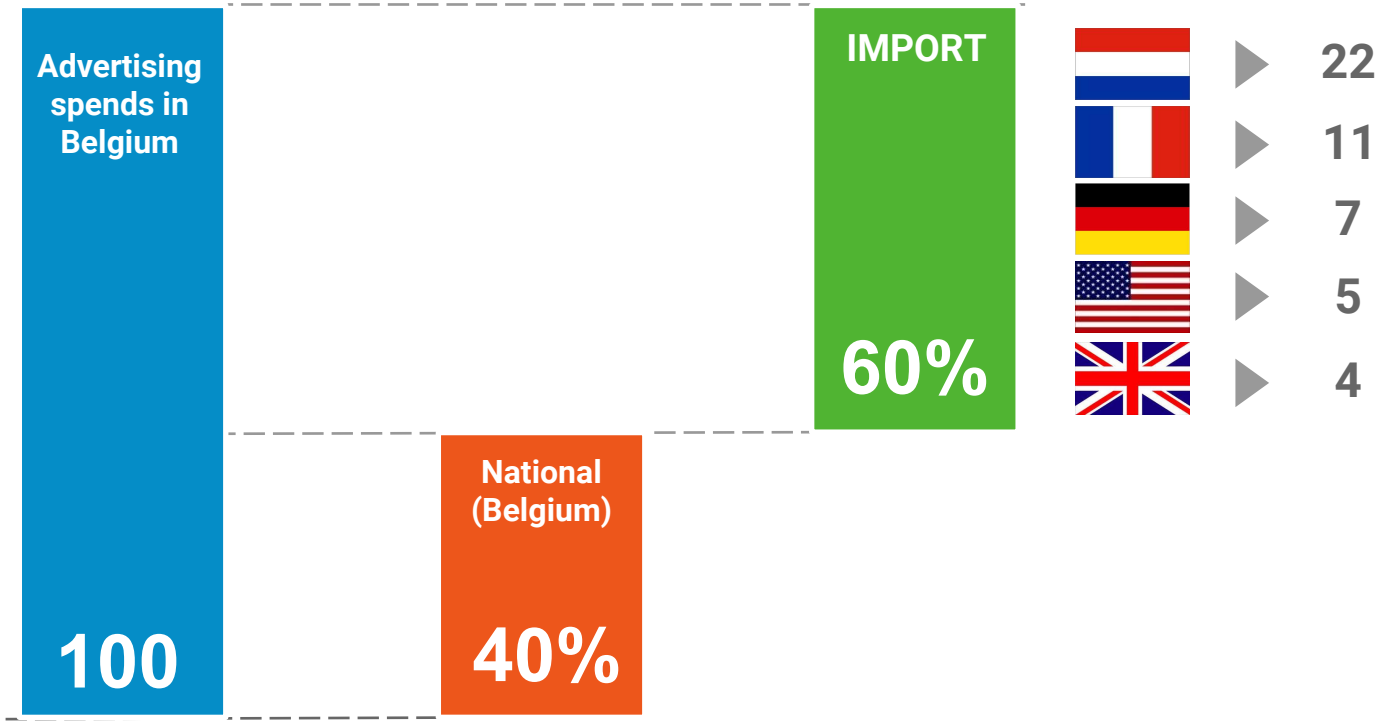
Digital consumption in Belgium

% of people who use a smartphone	% of people who internet more via smartphone	Avg number of connected devices per person
71%	56%	2,9

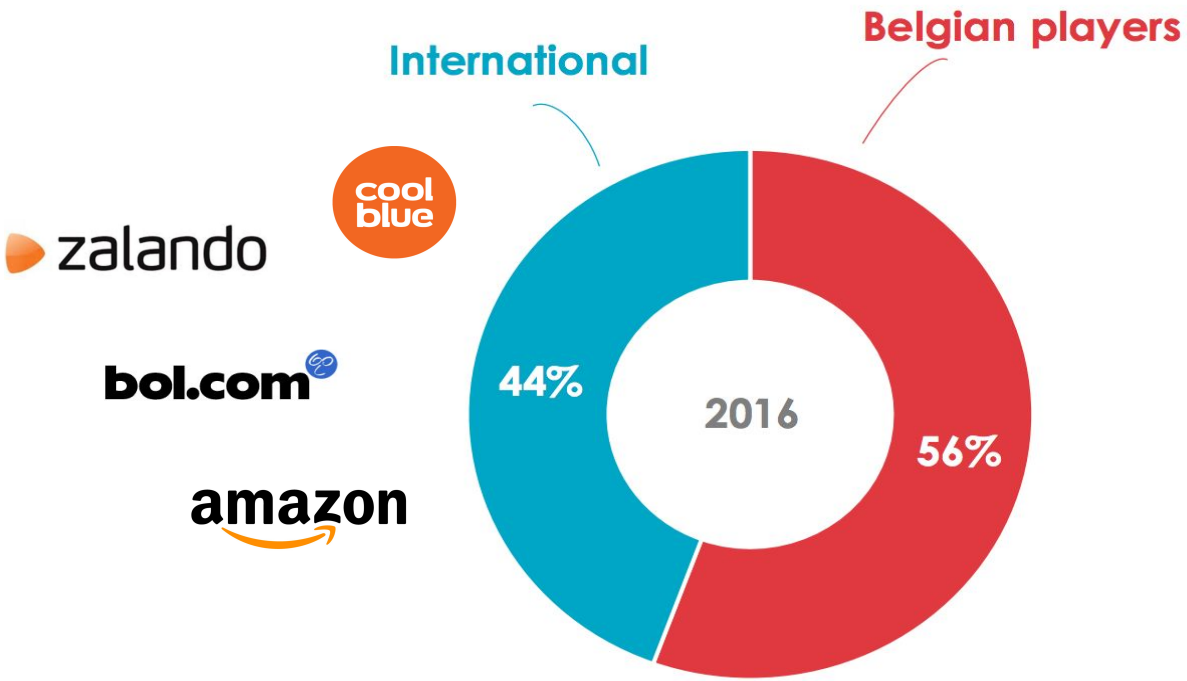
Internet presence of SMEs in Belgium



Advertising spends in Belgium



Ecommerce in Belgium



The Zalando case

© REUTERS

Il y aura un après Zalando en Belgique!

François-Xavier Lefèvre

De nombreux acteurs demandent un assouplissement des règles sur le travail de nuit. Le ministre de l'Économie dénonce de son côté les grèves politiques qui effrayent les investisseurs étrangers.

© BELGA

La Wallonie loupe le contrat du siècle avec Zalando

François-Xavier Lefèvre

Le géant allemand de l'e-commerce a préféré les Pays-Bas à la Wallonie pour y implanter un centre logistique. Il avance un climat social trop défavorable.

© Debby Termonia

La gifle donnée par Zalando

François-Xavier Lefèvre

La Wallonie loupe le dossier du géant de l'e-commerce

En privilégiant les Pays-Bas plutôt que la Wallonie pour y implanter son nouveau centre logistique, Zalando vient rappeler à la Belgique de façon très cruelle le chemin qu'il lui restait à parcourir en termes de compétitivité et d'attractivité pour attirer les investisseurs étrangers.

Google

Impact of digital on the Retail Industry

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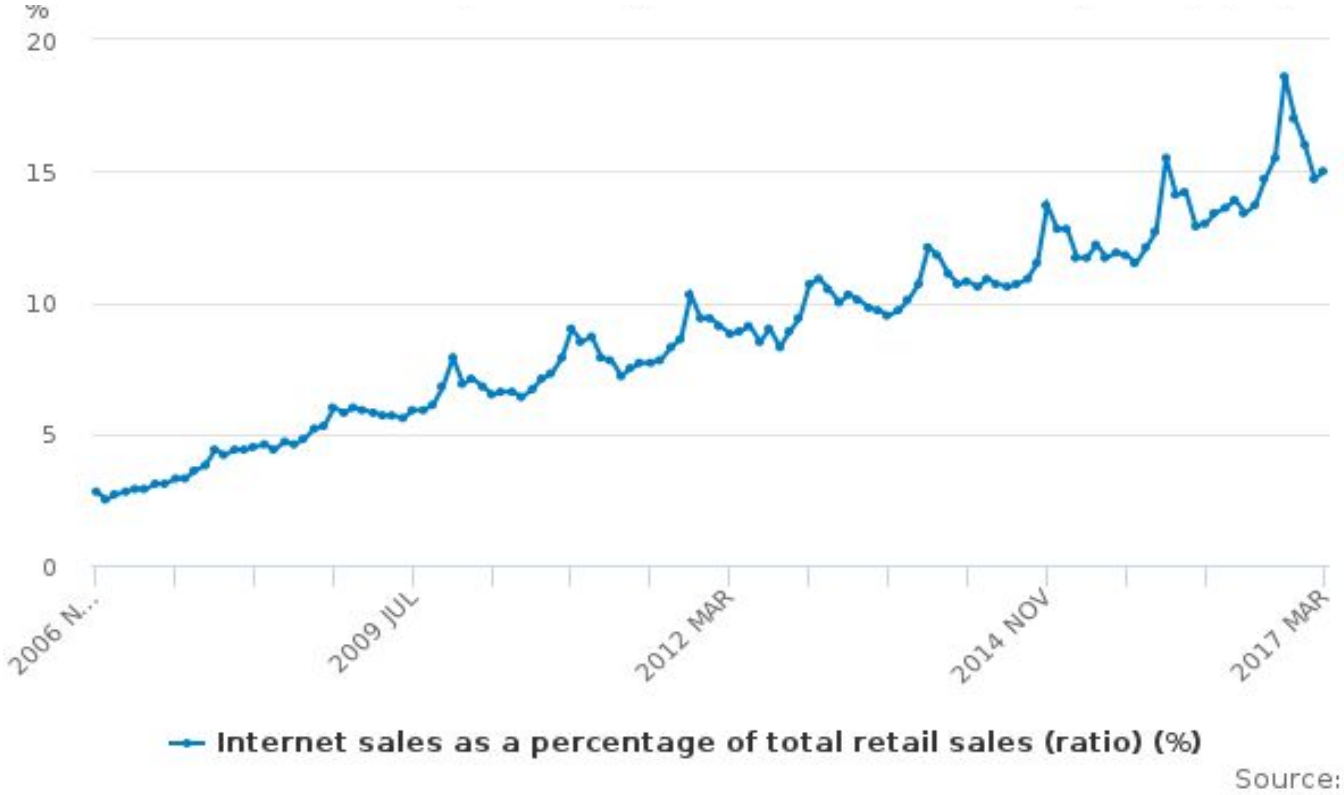
Ecommerce trend



Ecommerce vs offline sales

Retail Ecommerce Sales as a Percent of Total Retail Sales in Select Countries, 2015-2020

	2015	2016	2017	2018	2019	2020
China*	15.4%	18.4%	21.8%	25.7%	29.7%	34.1%
UK**	15.0%	16.9%	18.5%	19.9%	21.2%	22.6%
South Korea	11.2%	12.1%	13.0%	13.9%	14.7%	15.3%
Denmark	11.0%	11.6%	12.2%	12.7%	13.1%	13.5%
Finland	10.8%	11.4%	11.8%	12.2%	12.5%	12.9%
Norway	9.8%	10.4%	11.0%	11.5%	12.0%	12.3%
New Zealand	9.0%	9.2%	9.5%	9.7%	9.9%	10.0%
US**	7.3%	8.2%	9.2%	10.2%	11.3%	12.5%
Sweden	7.0%	7.5%	8.0%	8.4%	8.7%	9.1%
Germany	6.7%	7.3%	7.9%	8.5%	8.9%	9.3%
Australia	6.2%	6.7%	7.2%	7.7%	8.3%	8.9%
Japan	6.3%	6.7%	7.0%	7.3%	7.6%	7.8%
Canada	5.8%	6.5%	7.3%	8.1%	9.0%	10.0%
France	5.8%	6.3%	6.8%	7.2%	7.6%	8.1%
Spain	4.9%	5.4%	6.0%	6.5%	7.0%	7.4%
Netherlands	4.9%	5.3%	5.7%	6.0%	6.4%	6.7%
Taiwan	4.5%	4.7%	5.0%	5.2%	5.4%	5.5%
Singapore	4.1%	4.5%	4.9%	5.4%	5.8%	6.2%
Hong Kong	2.9%	3.4%	4.0%	4.6%	5.1%	5.6%
Russia	2.6%	3.0%	3.3%	3.6%	4.0%	4.3%

*Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets; *excludes Hong Kong; **forecast from May 2016*
Source: eMarketer, Aug 2016

213308 www.eMarketer.com

10-20%

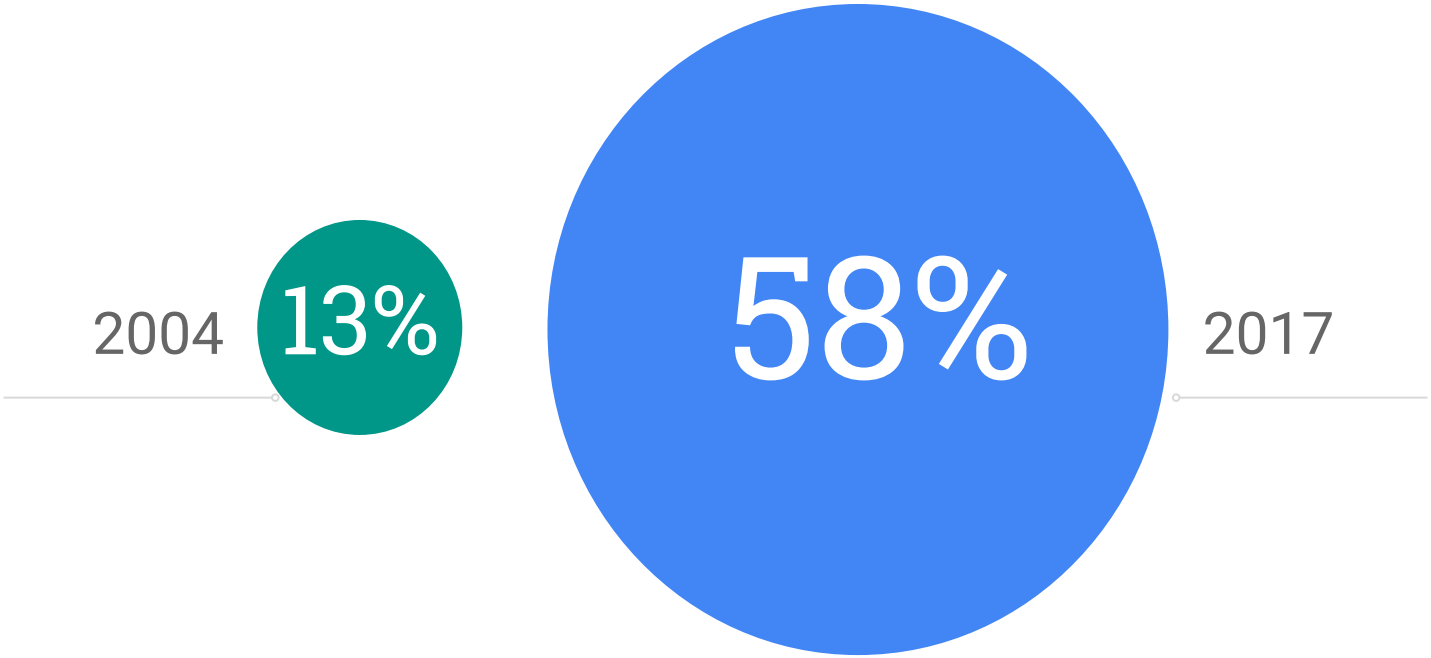
Of retails sale happens via ecommerce

Meaning that..

80-90%

of total retail sales still take place offline

Digital influence on retail sales growing massively



Source: Deloitte

Still more Online to take purchase decisions

About 75% of shoppers …

- research online before making an in-store purchase or vice-versa
- spend more time preparing for an purchase online than in a store

Searches to find local points of sales increasingly important

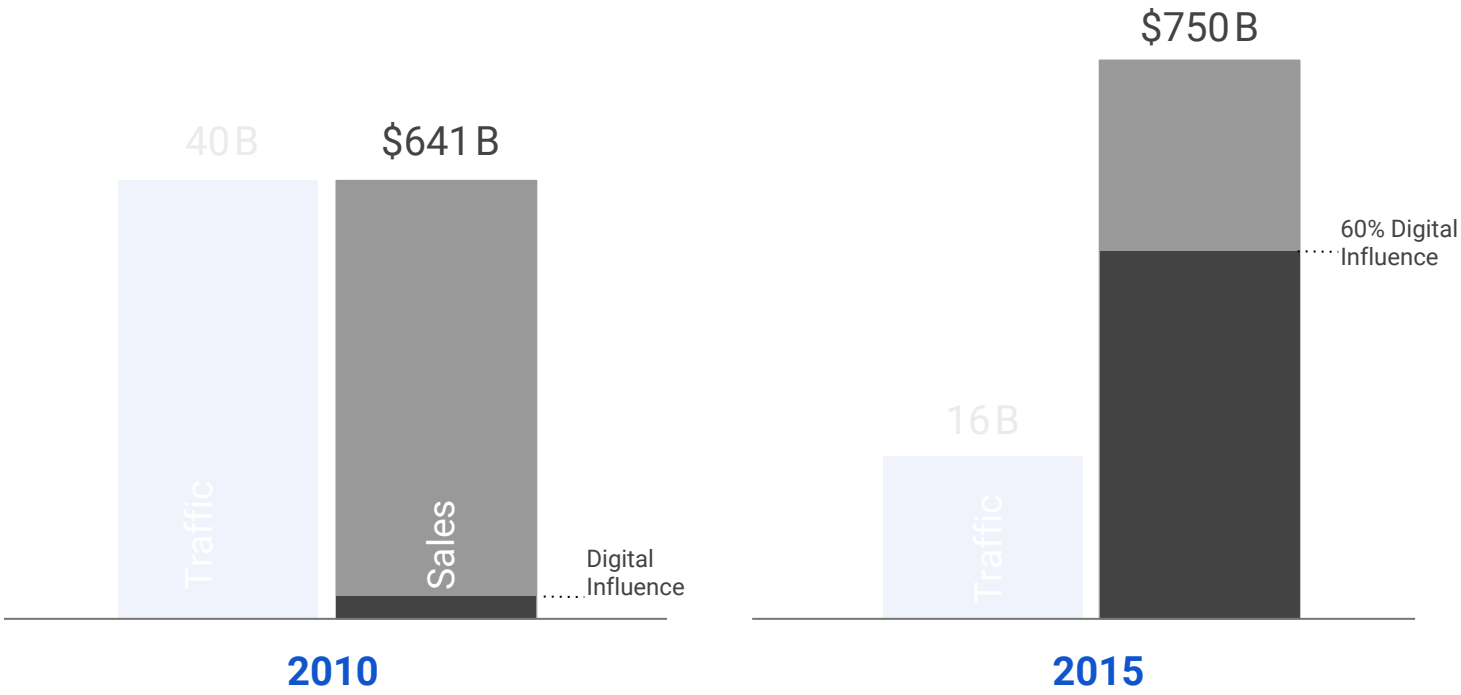
+50%

Growth in local searches

75%

Of consumers who conduct a local search on their smartphone visit a store within 24 hours

Digital acting as growth driver in retail



Source: Deloitte

Digital campaigns boost sales

25%

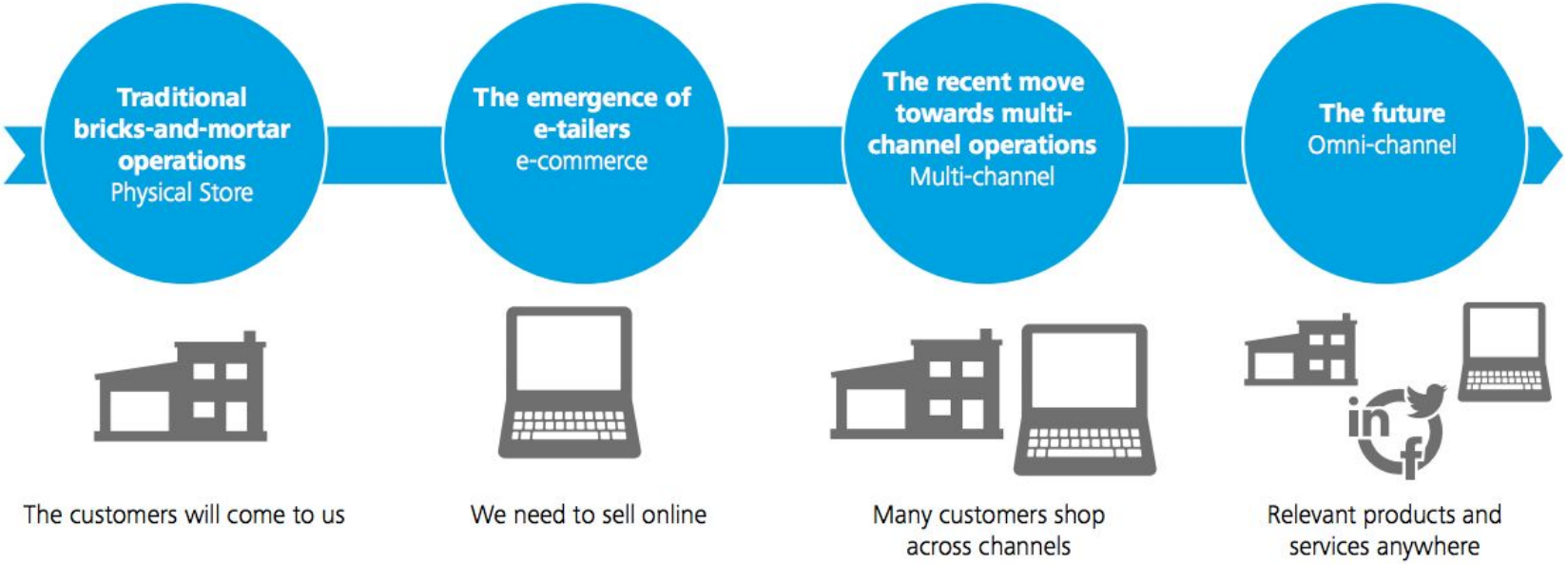
more likely to buy in the store, spending over

10%

More spends on average

Source: Internal Google, 2017

Omni-channel is adopted as the new standard model



Grocery players investing in digital

@wink

Collect&Go

coradrive.fr

cirkle
Shop • Recycle

Carrefour drive

eFarmz
DE LA FERME À CHEZ VOUS

shop&go DELHAIZE

deliveroo

Omnichannel adopted as the new standard model...

What does it mean to omnichannel proof?

Leyers

01
Convenience

02
Personalization

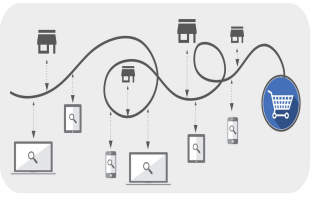
03
Experiences

Enablers

04
Data

05
Partnerships

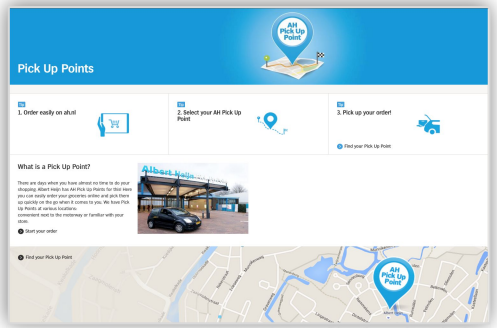
06
Organisation



07
Measurement

Convenience

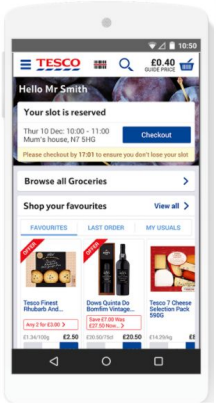
Click & Collect



Home Delivery

New store concepts

Apps

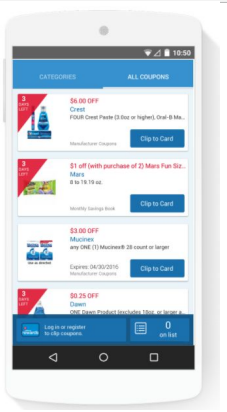


Auto-replenishment

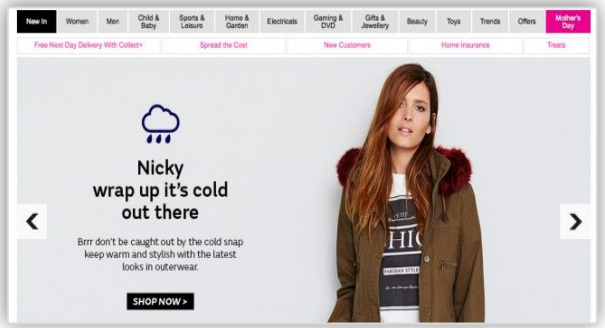
Home apps

Personnalisation

Personal promotions



Content adaptation

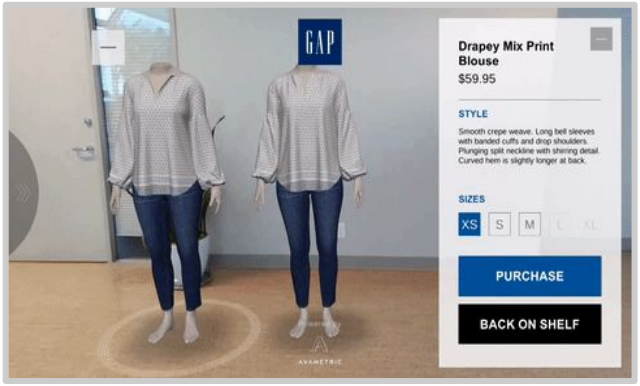


Customization

Product recommendations

Online experiences

Tango

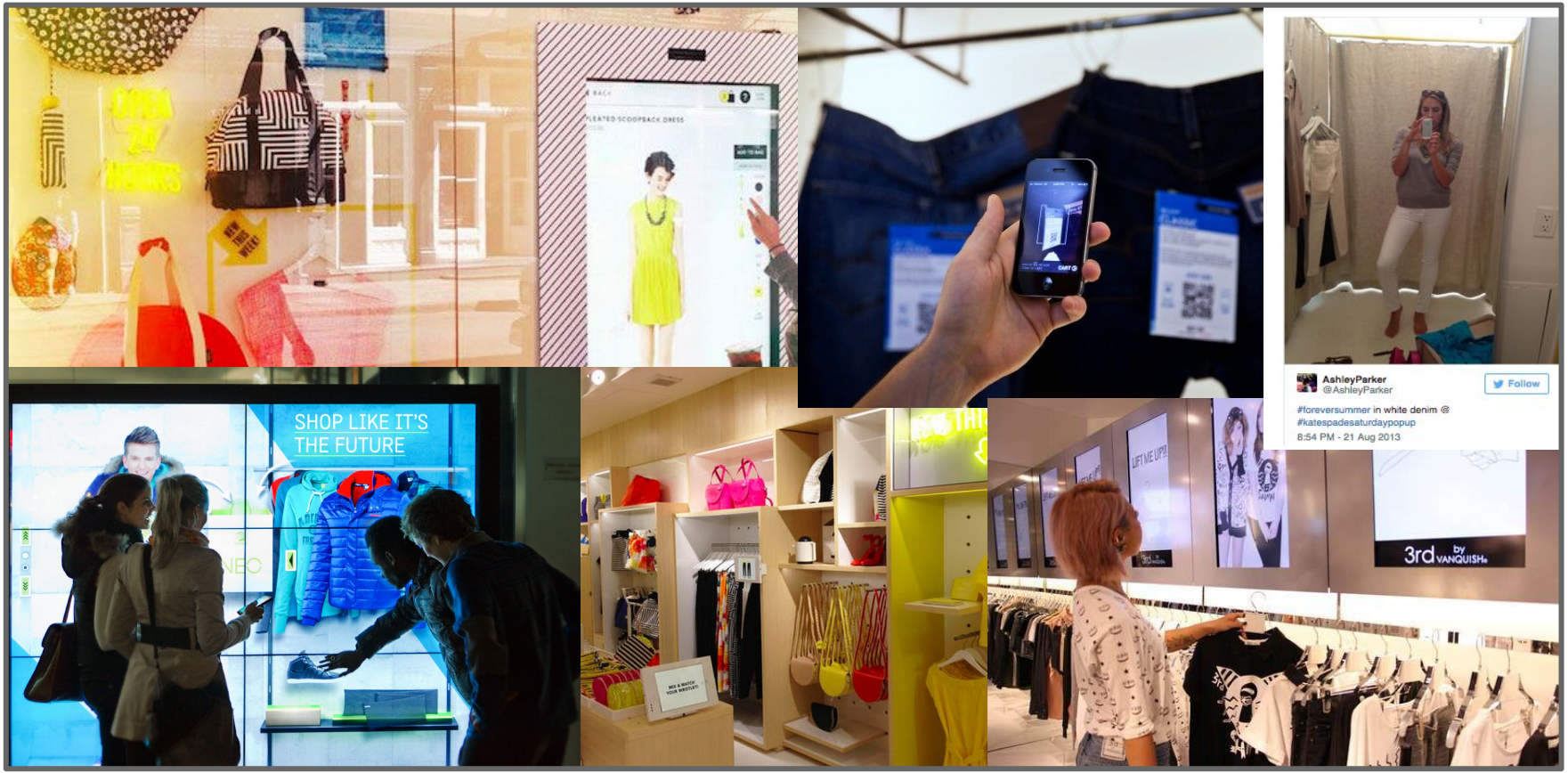


GAP

Walgreens

IKEA

Online experiences



Automation

STARSHIP

ocado.com
The online supermarket

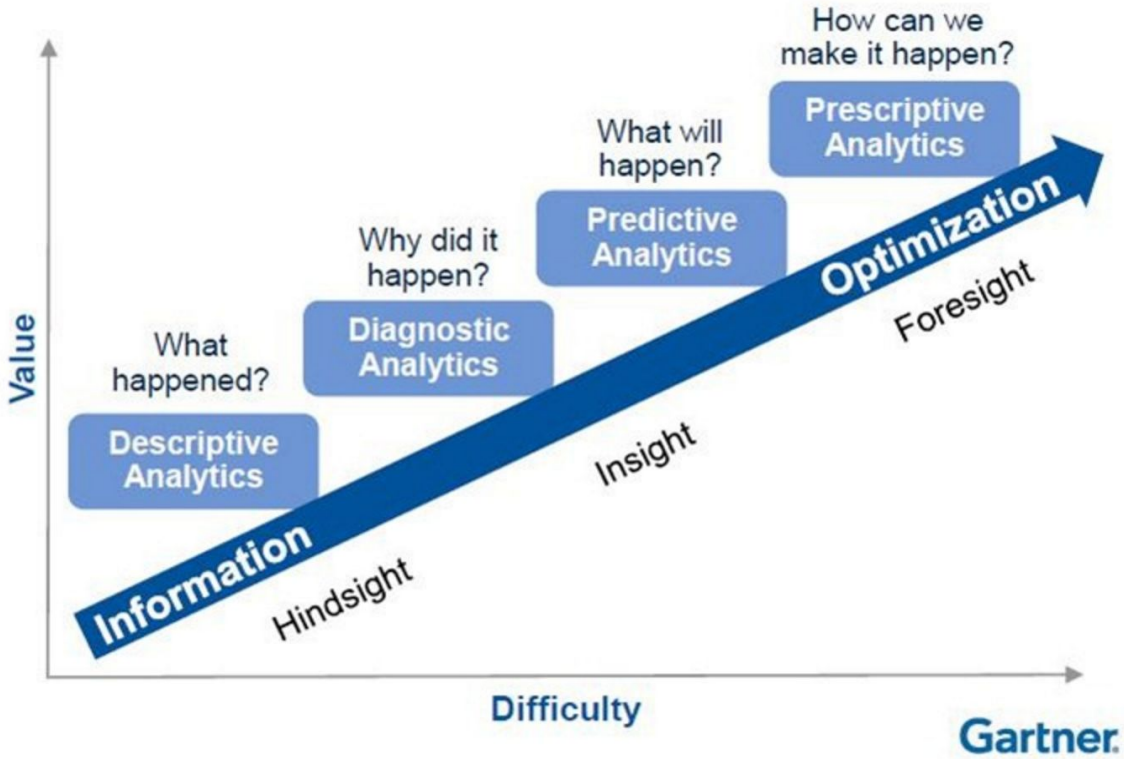
amazon go

New interfaces & Internet of things

Source: A Guide to the Internet of Things, IDC, Intel, United Nations, 2016.

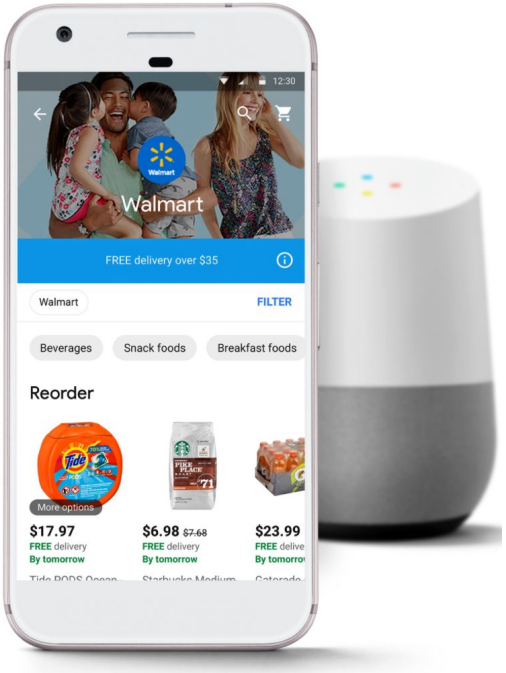
New payments

Importance of data

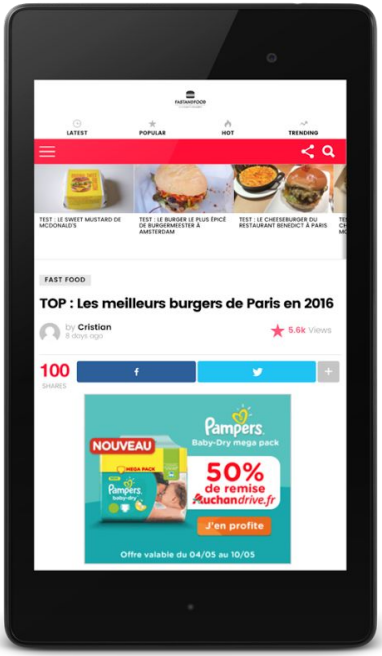


Partnerships

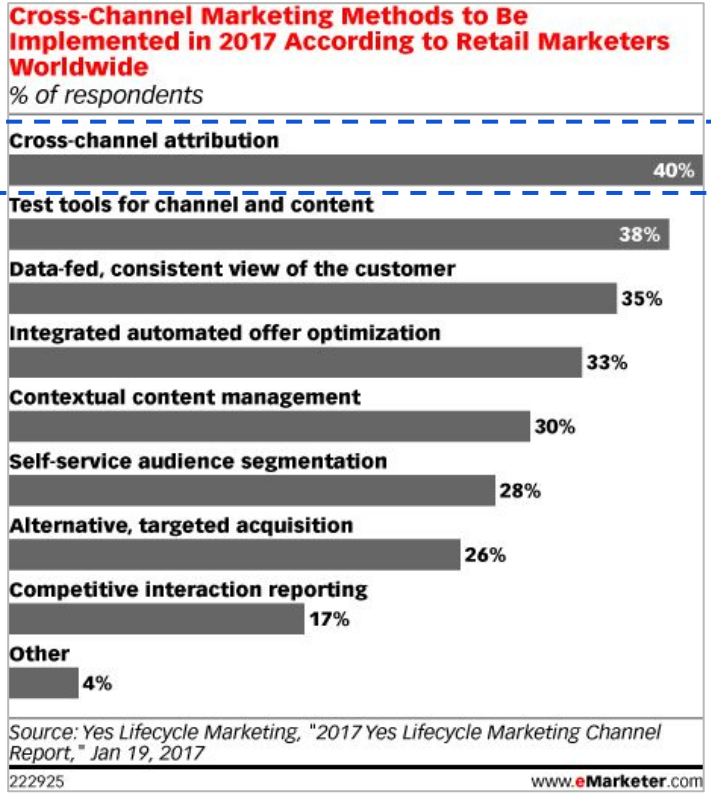
Inclusion in technology



Trade Marketing

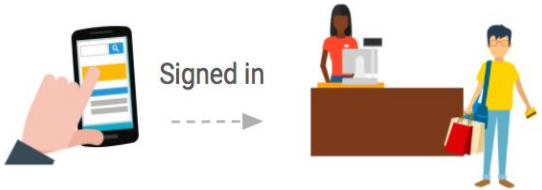


Why is omnichannel important?



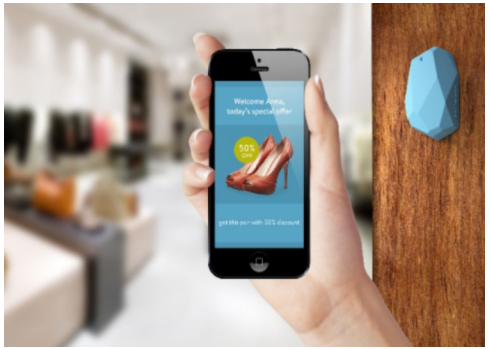
Measure digital influence - Omnichannel

Store Sales Direct



Store Visits

Beacons



Store Sales Direct

A logged-in Google user clicks on a ad

User visits the store and provides email at purchase

Advertiser uploads hashed emails and purchase value

The Solution matches advertiser data with click and report aggregated conversions

Store Visits

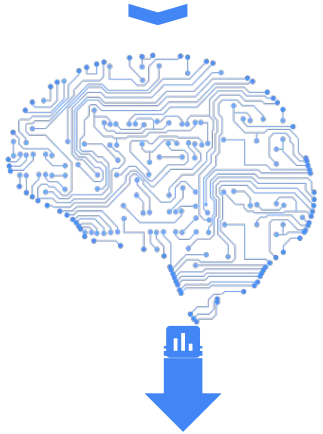
User behavior

Signed-in and opted into location history

Clicks on an ad

Visits store

Ongoing data validation (surveys) with 5M+ user panel



extrapolated to the population
aggregated and anonymized

Store Visits

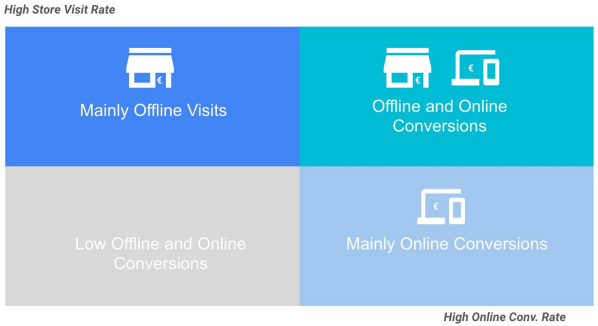
Backend data

GPS, Wifi triangulation, Location history

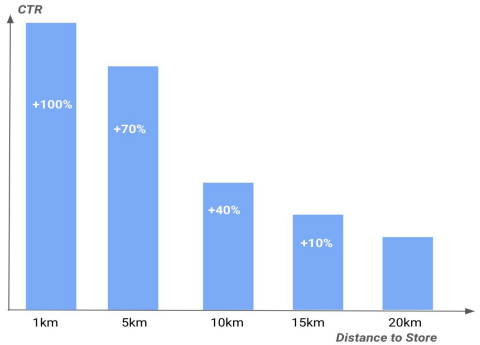
Geometry, Wifi scanning (200M+ locations)

Store Visits: Main insights

Product segmentation



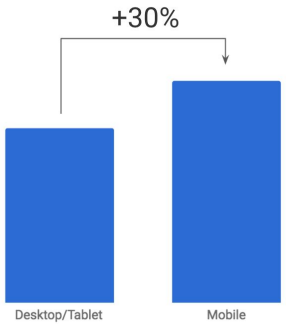
Impact of distance



Performance of campaigns

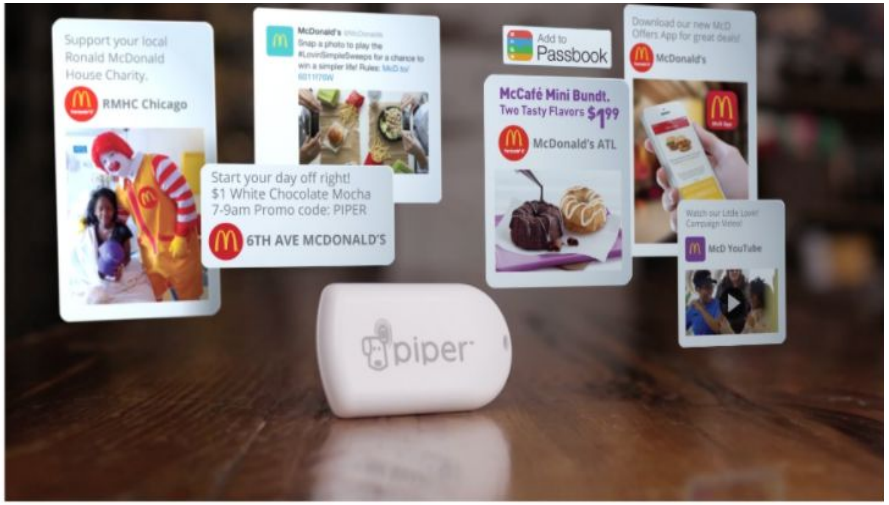
Brand + Local	Store + Generics
Greatest Store Hamburg	Consumer Electronics Shop nearby
Greatest Store Berlin	Electronics nearby
Greatest Store opening hours	Technical equipment nearby
Greatest Store nearby	Electronics store
...	Electronics shop
	...

Role of devices



Beacons

Welcome Anna,
today's special offer
50%


Support your local Ronald McDonald House Charity.
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Add to Passbook
McCafé Mini Bundt.
Two Tasty Flavors $1.99
McDonald's ATL
Start your day off right!
$1 White Chocolate Mocha
7-9am Promo code: PIPER
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Thank you. Questions?

Confidential + Proprietary