

**GROWING
SHARE OF
WALLET WITH
GROWING
CUSTOMERS**



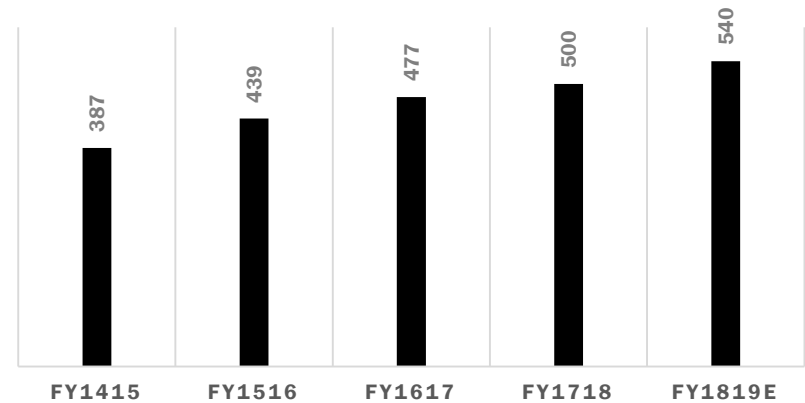
BabySam



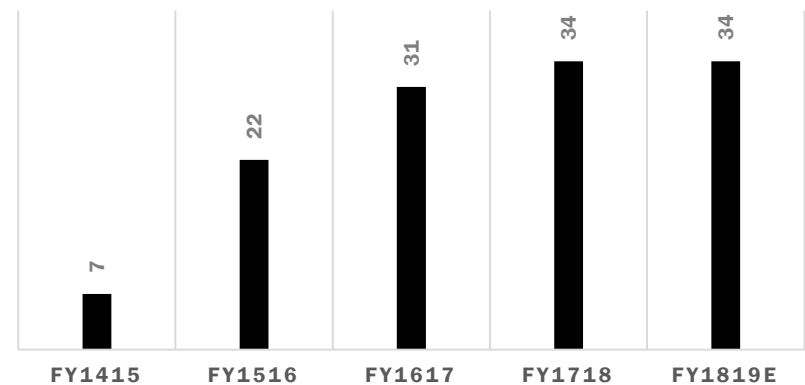
FACTS & FIGURES

- **540 MILLION REVENUE**
- **1,5 MILLION TRANSACTIONS**
- **34 STORES**
- **#1 BABY SPECIALIST RETAILER**
- **35% MARKETSHARE IN DENMARK**
- **84% RETAIL STORE SALES /
16% E-COMMERCE SALES**
- **125.000 ACTIVE EMAIL SUBSCRIBERS
(NOT CLUBMEMBERS)**
- **80% CONVERSION OF PREGNANT
WOMEN TO EMAIL DATABASE**

REVENUE MDKK

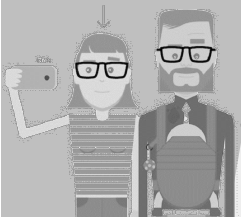


EBITDA MDKK

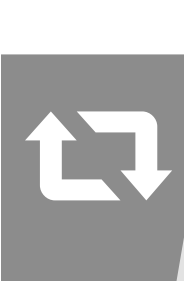


THE TARGET CUSTOMER




 **1** > **GENERATION Y (1981 - 1995)**

- CHOICES & FLEXIBILITIES
- DIGITAL NATIVES
- PREFERS HUMAN CONTACT IN HIGH TICKET PURCHASES

 **2** > **FAST TRACK IN & OUT**

- 75% REVENUE IN GROUP 0 - 2 YEAR OF AGE
- 182.000 BABIES IN CORE GROUP
- VALUE CHILD #1 = 100, CHILD #2 = 50% AND CHILD #3 = 25%

 **3** > **YOU CAN'T BUY LOVE...**

- LOYALTY IS EARNED NOT BOUGHT
- RIGHT PRODUCT, RIGHT TIME, RIGHT PRICE
- RELEVANT CONTENT
- GREAT EXPERIENCE IN ALL CHANNELS



WHERE WE CAME FROM....

....IN 2015

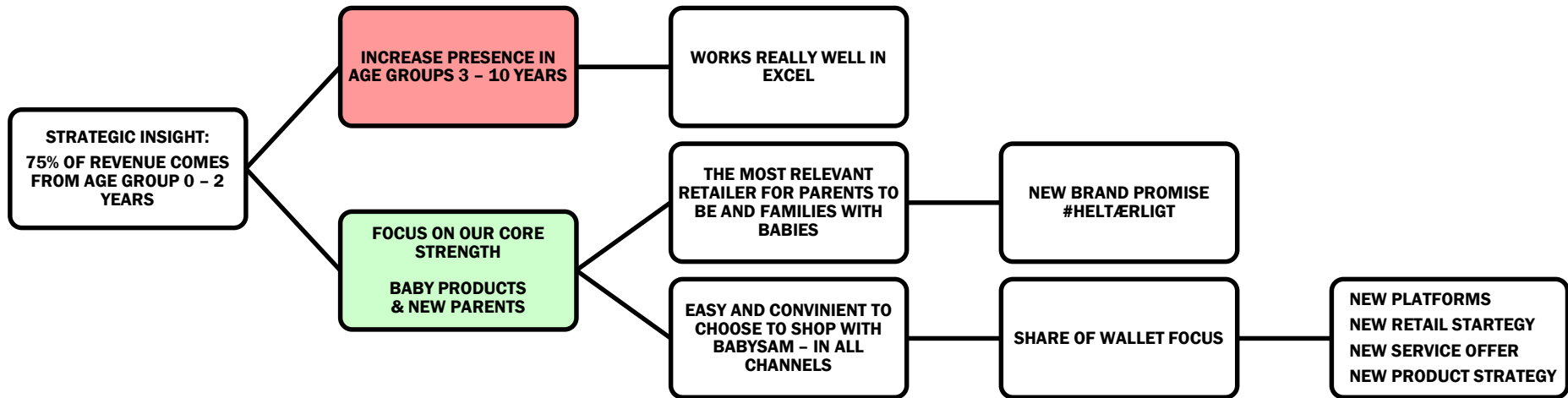
- WWW.BABYSAM.DK WAS CONSIDERED TO BE #1 COMPETITOR TO PHYSICAL BABYSAM STORES
- RETAIL TEAM PUSHING FOR “\$\$ REWARD \$\$” FOR HANDLING CLICK N COLLECT
- A TOP 3 COMPLAINT IN CUSTOMER SERVICE = LACK OF SERVICE WHEN PICKING UP AN ITEM BOUGHT ONLINE FOR IN-STORE PICK UP (NO GIFTWRAPPING, NO INSTALLATION OF CAR SEAT ETC.)
- FALSE BELIEVE IN OMNICHANNEL! *“IF WE SAY IT ENOUGH TIMES IT IS TRUE”* SYNDROME
- DIGITAL STRATEGY WAS “ALL OVER THE PLACE” WITH LACK OF FOCUS AND WHAT WOULD CREATE VALUE FOR CUSTOMERS AND THE COMPANY
- LEGACY UPON LEGACY SYSTEM COMBINED WITH OPEN SOURCE E-COMMERCE WITH 5 (CREATIVE) E-COMMERCE MANAGERS IN 5 YEARS

2015 FULL STOP!

- **CLOSE DOWN OF ALL “UTOPIA” DIGITAL PROJECTS**
- **ACCEPTING SUNK COSTS ON PROJECTS AND LOST DREAMS AND HOPES OF TEAMS (EGO’S)**
- **REALITY CHECK IN THE BOARD ROOM**
- **CUSTOMER CENTRIC FOCUS IN ALL CHANNELS**
- **BREAK DOWN OF SILO THINKING IN BOTH RETAIL & E-COMMERCE**
- **CREATION OF NEW VISION FOR BABYSAM’S DIGITAL JOURNEY; WHERE TO PLAY AND HOW TO WIN**

THE STRATEGY

WHERE TO PLAY AND HOW TO WIN



WHERE TO PLAY AND HOW TO WIN

- **RUNNING A SUCCESSFULL DIGITAL TURNAROUND IN A HERRITAGE RETAIL COMPANY IS LESS ABOUT DIGITAL IT IS MUCH MORE ABOUT CHANGING CULTURE AND PERSONAL BELIEFS IN ALL BUSINESS UNITS**

DO NOT GET LOST IN THE DIGITAL FORREST

- **WHAT MATTERS TO YOUR CUSTOMERS? FIX YOUR BASICS FIRST!**
 - 1. EASY RETURN & CLAIM HANDLING**
 - 2. EASY & SAFE PURCHASE AND RETURN**
 - 3. SMILING, VISIBLE AND PASSIONATE SALES ASSOCIATES (OR GREAT UX)**
 - 4. PRODUCTS ON STOCK AT THE RIGHT PRICE**
 - 5. NICE AND INVITING RETAIL STORES WITH GOOD AMBIENCE (OR GREAT UX)**

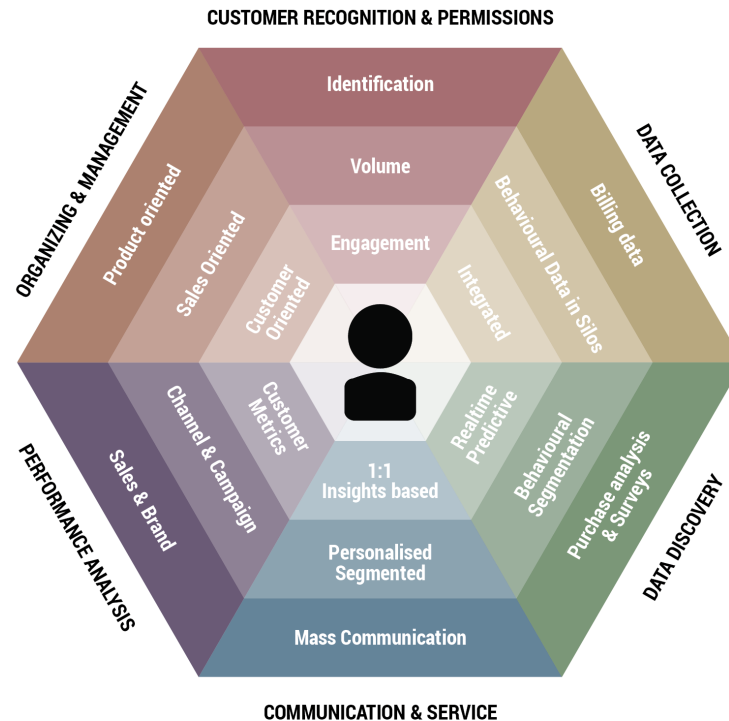
Kilde: <http://knowledge.wharton.upenn.edu/article/getting-to-wow-consumers-describe-what-makes-a-great-shopping-experience/>



NEW 2015 LIGHT HOUSE

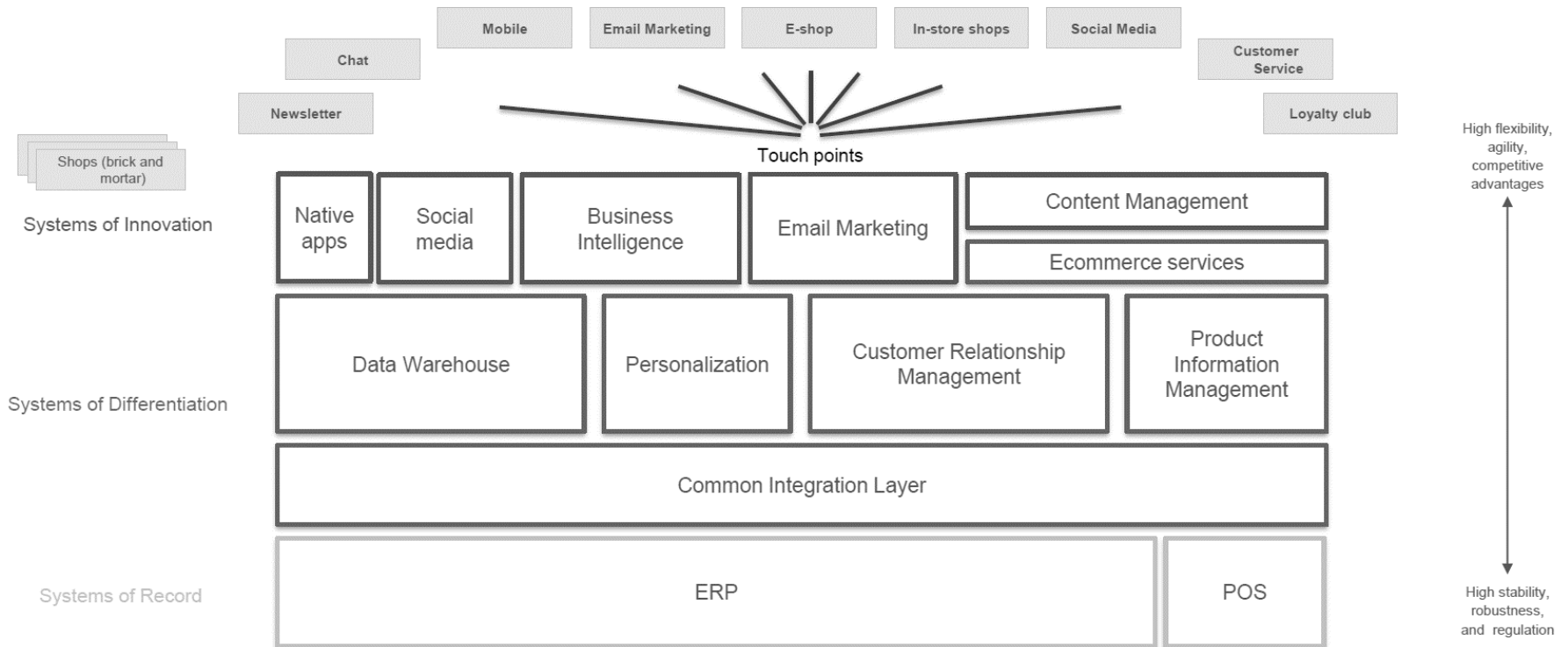
1:1 CUSTOMER P&L
20% E-COMMERCE SHARE

2020



BUILDING A NEW INFRASTRUCTURE

INFRASTRUCTURE



INFRASTRUCTURE



**Dynamics Nav
Business Central**



Agillic

**BROAD TACTICAL E-MAILS
PERSONALISED E-MAILS
SMS (NOT TESTED YET)**

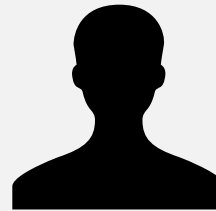


BabyBox



Raptor

**TRIGGER E-MAILS
ABANDONED BASKET
RECOMENDATIONS
PERSONALISED SITE
RETARGETING**



Data Service Layer (DMP)
A central hub where all customer data
are gathered

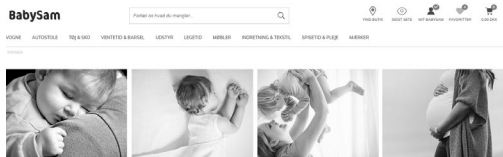
Mit
BabySam



Favorites



Events



Mit
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**Profile
Customer Data**



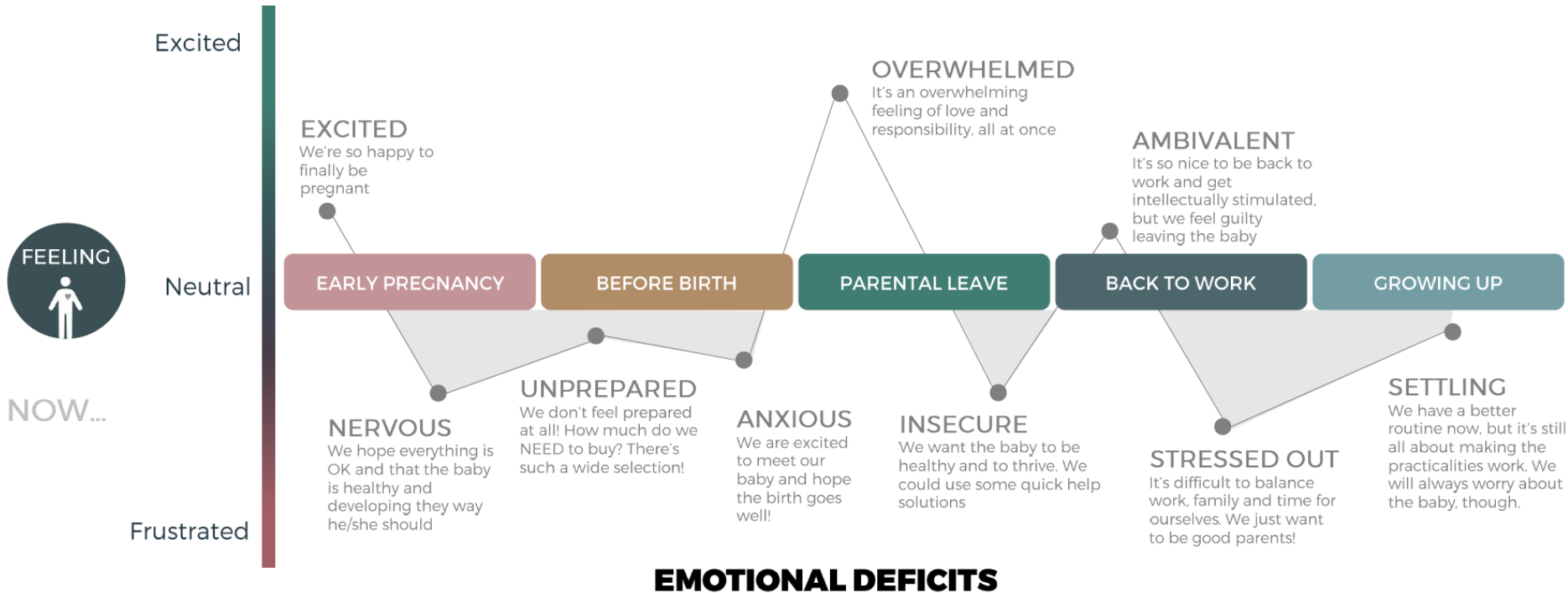
**Transaction Data
POS & WEB**



BabySam

THE CUSTOMER JOURNEY

CUSTOMER JOURNEY



We just need to know that the baby is healthy and wait for the first 12 weeks to pass

We need to find out what to get and where to get it. We want to get the best start possible

We could use some help on to find out how we best meet our baby's needs

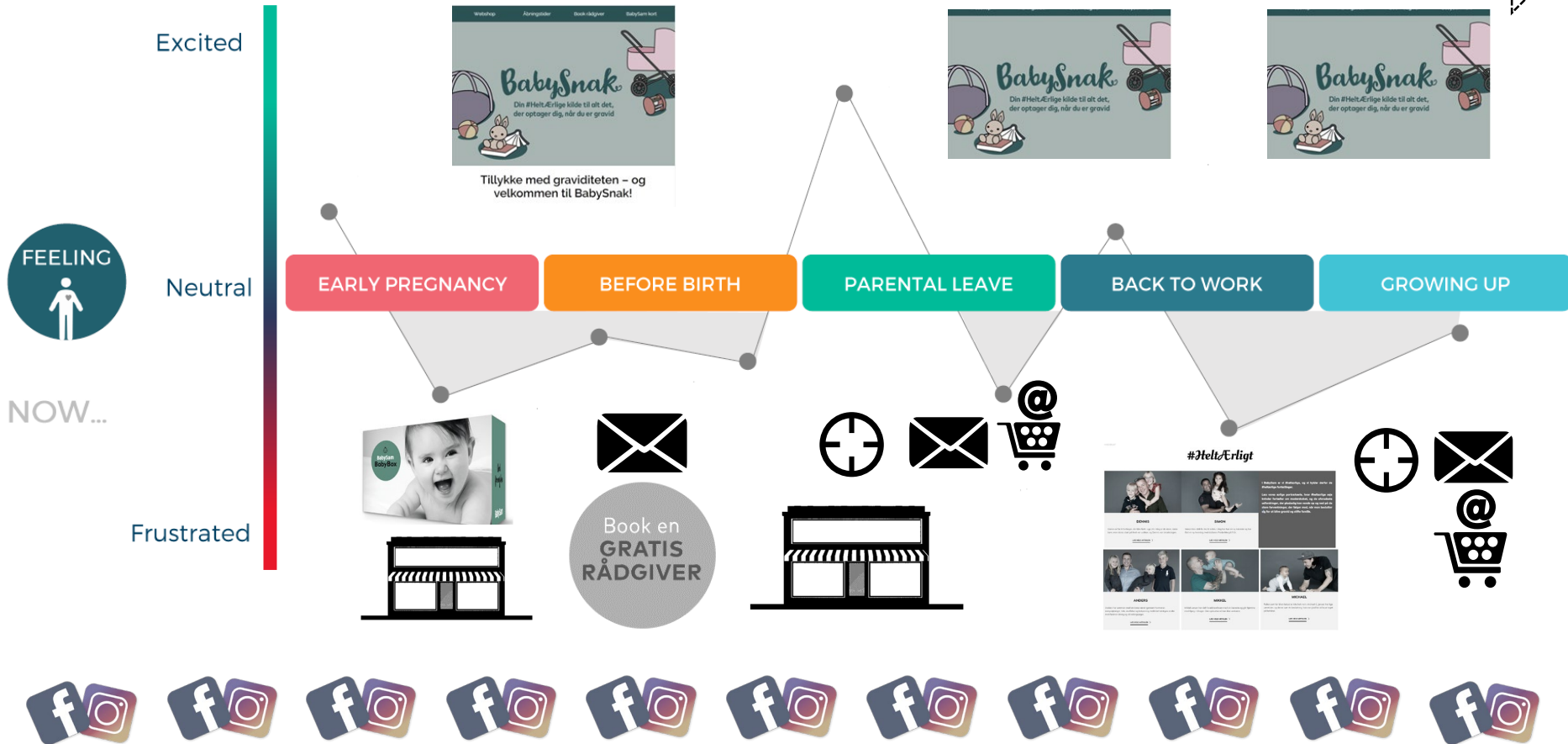
We need to find the right work-life balance to make sure we're there for the baby, ourselves and each other

We need to find solutions to make our routines work in the long run

Credit: Vertical Strategy

CUSTOMER RETAIL JOURNEY

66 E-MAILS WITH CONTENT MATCHING TO STAGE OF PREGNANCY OR BABIES AGE 0 - 24 MONTHS



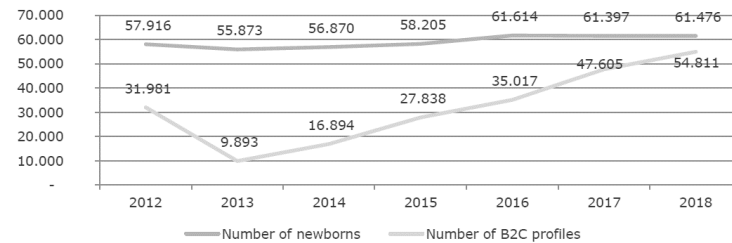
Credit: Vertical Strategy 

THE NEW JOURNEY BEGINS...



- **2015: NEW CONCEPT FOR THE BABYBOX**
- **2017: AGILLIC IS IMPLEMENTED**
- **2017: MY ACCOUNT IS LAUNCHED ONLINE**
- **2018: 89% PENETRATION OF PREGNANT WOMEN SIGNING UP with; NAME, ADDRESS, DUE DATE, TELEPHONENUMBER, EMAIL ADDRESS, OTHER CHILDREN + AGE, PERMISSION**

Market penetration



Penetration (%)



CRASH AND BURN....



**MARKETING AUTOMATION IS NOT AUTOMATED
AT ALL!**



WHAT WENT WRONG?

- **WE COMPLETELY UNDERESTIMATED THE MANUAL WORK GOING INTO A STATE OF AUTOMATION!**
- **DESPITE OUR FOCUS ON WHAT CONSUMERS WANT - WE GOT LOST IN AMBITIONS AND EXCITEMENT FOR THE DIGITAL POSSIBILITIES AT HAND**
- **FAR TOO AMBITIOUS ON OUR ROADMAP THUS REACHING TOO HIGH AND FALLING FLAT ON OUR NOSE**
- **LACK OF RIGHT COMPETENCIES IN-HOUSE**

THE JOURNEY BEGINS AGAIN...

- **WE MADE A FULL STOP – NO INVESTMENT, NO TIME SPEND AND WENT BACK TO 100% TACTICAL EMAIL COMMUNICATION**
- **EVALUATED OUR FAILURES AND MADE A NEW ROADMAP**
- **WE PARTNERED UP WITH AN AGENCY TO HELP BUILD THE PLATFORM**
- **NEW COMPETENCIES IN-HOUSE TO DRIVE AUTOMATION PROJECT**
- **WE SET NEW AND REALISTIC TARGETS TO HELP US UNDERSTAND WHAT GAVE ACTUAL ROI AND WHAT DID NOT. BABYSTEPS.**

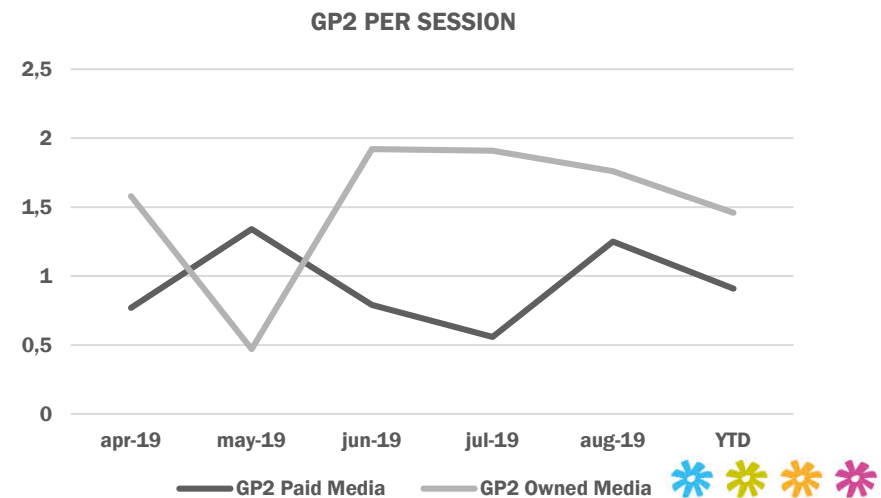
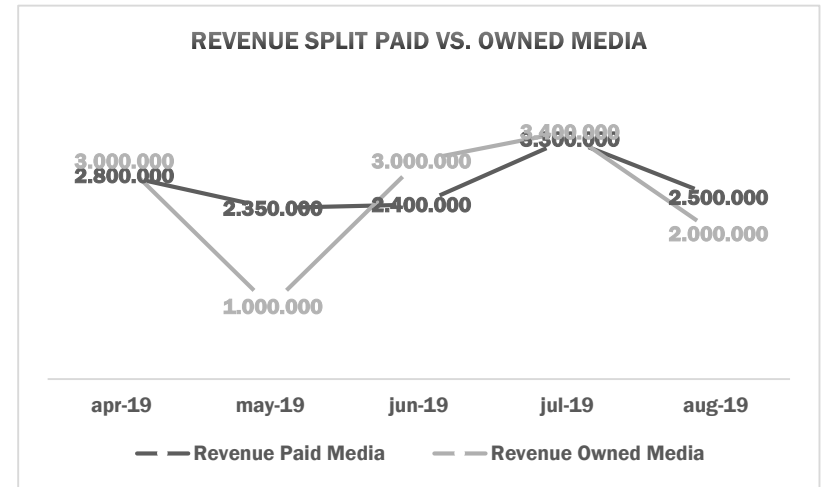
KEY RESULTS

IT'S ALL ABOUT SHARE OF WALLET AND PROFITABLE GROWTH ...

- THE INVESTMENT IN OUR JOURNEY IS NOT ALONE IN SYSTEMS AND CONSULTING DEVELOPING CONTENT IS A MAJOR PART OF THE JOURNEY AND INVESTMENT.
- WHAT IS OUR MEASUREMENTS? WHEN ARE WE SUCCESSFUL OR WHEN DO WE FAIL?
 1. PAID VS. OWNED MEDIA
 2. REVENUE PER ACTION
 3. GP2 PER SESSION
 4. NUMBER OF BASKETS
 5. CLV

FACTS & FIGURES

- **OWNED MEDIA IS 60% MORE PROFITABLE THAN PAID MEDIA**
- **70% OF BABYSAM GP2 COMES FROM OWNED MEDIA**
- **59% OF TRAFFIC COMES FROM OWNED MEDIA**
- **47% OF REVENUE COMES FROM OWNED MEDIA**



STARTING SMALL...

Recent pilot tests of leveraging automated marketing to create relevant and personal customer interaction

Book an advisor campaign



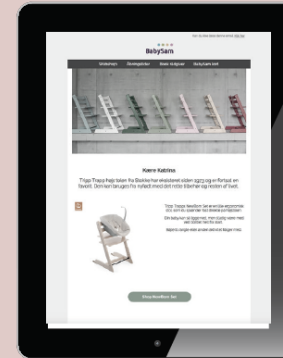
- Targeted pram e-mail campaign sent to pregnant or women with children of age 0-1 month who picked up the BabyBox
- Open rate of 41%
- +300% increase in advisor bookings compared to previous month

Refill campaign



- E-mail campaign targeted at customers who signed up for the BabyBox, utilising data obtained as part of the BabyBox
- 38% increase in units sold (from 475 units to 654 units) compared to the prior month

Tripp Trapp accessories campaign

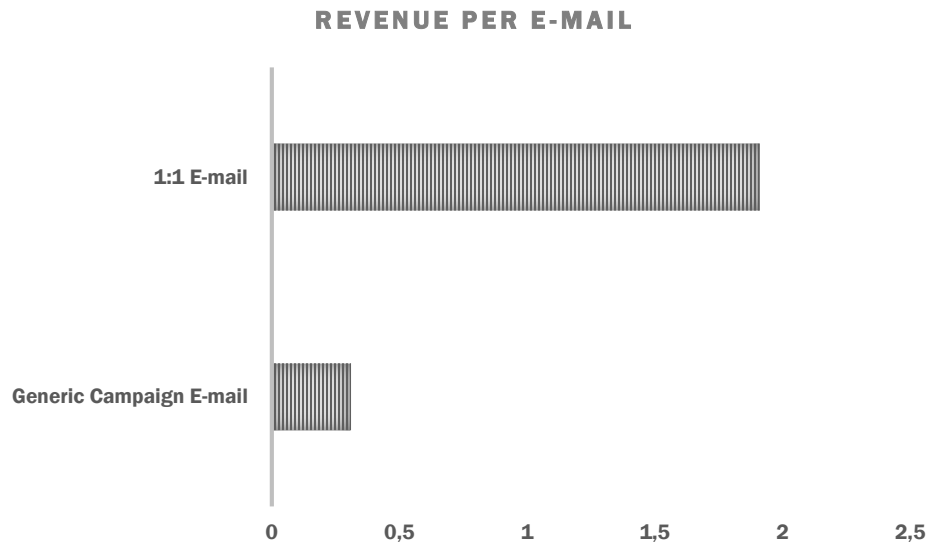


- Follow up e-mail campaign targeted at customers exposed to the Tripp Trapp highchair campaign on babysam.dk
- Open rate of 69% and click rate of 13%
- 55% increase in sales of Tripp Trapp accessories compared to the prior month

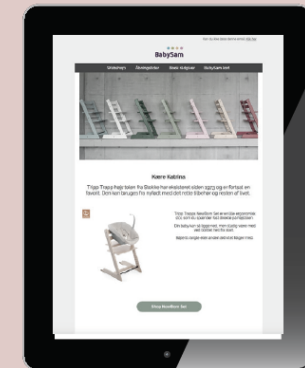


FACTS & FIGURES

- **BASED ON 16M E-MAILS SENT**
- **E-MAILS BASED ON BEHAVIOUR AND PURCHASE HISTORY ARE 6X MORE EFFECTIVE THAN GENERIC E-MAILS**



Tripp Trapp accessories campaign

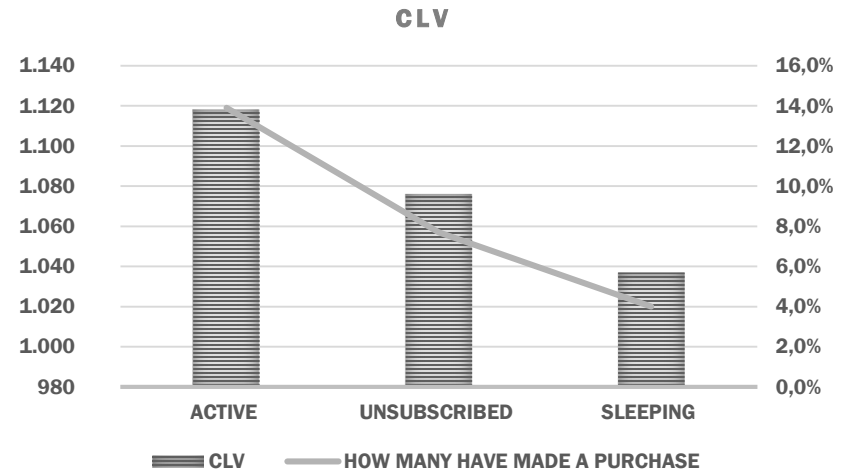


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THE CLV JOURNEY

- **SMALL VARIANCE IN CLV SPEND**
- **THE SHARE OF PURCHASES ARE HOWEVER SIGNIFICANT**
- **+6M POTENTIAL IN MOVING “SLEEPING” SUBSCRIBERS TO THE PURCHASE LEVEL OF ACTIVE SUBSCRIBERS**
- **NOTE:
THIS IS JUST 16% OF THE PICTURE.**



THE 1:1 CUSTOMER P&L

1. SIGN UP (PERMISSION)
2. PICK UP OF BABY BOX
3. BOOK AN ADVISOR
4. PURCHASE HISTORY IN ALL CHANNELS
5. RETURNS IN ALL CHANNELS
6. CLAIMS IN ALL CHANNELS
7. USE OF CUSTOMER SERVICE
8. EVENTS PARTICIPATION
9. NPS SCORE
10. PRODUCT RECOMMENDATIONS
11. ROI @ CUSTOMER LEVEL

EACH CUSTOMER PROFILE MUST HELP US STAYING RELEVANT THROUGH OUT THE JOURNEY.

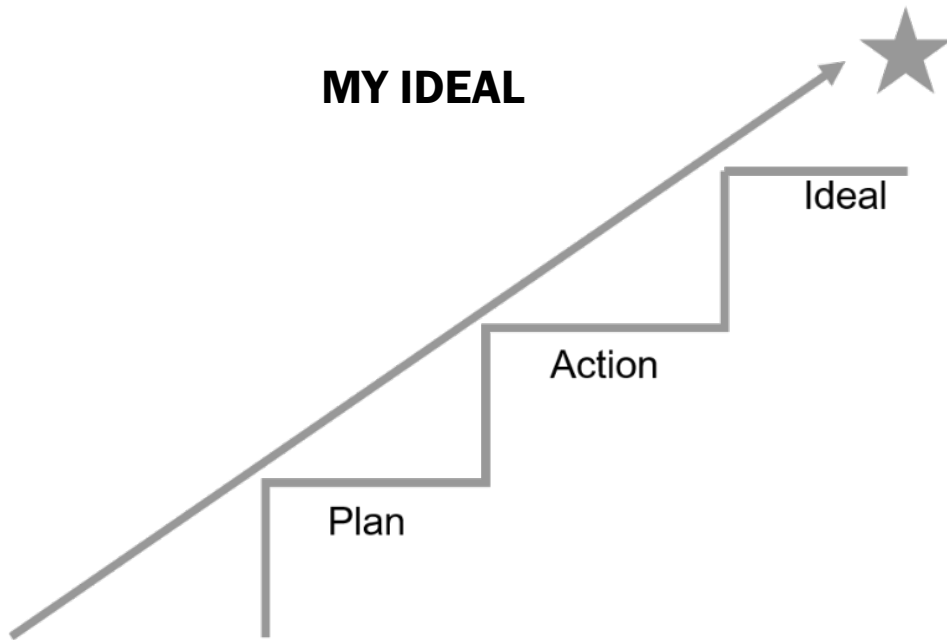
THROUGH RELEVANT CONTENT AND RIGHT IN TIME PRODUCT RECOMMENDATIONS WE AIM TO INCREASE SOW WITH +2 PURCHASES PER 0,35 CHILD BORN = A REVENUE POTENTIAL OF 30,4M P.A.

WE STILL BELIEVE OMNICHANNEL IS THE ONLY WAY!

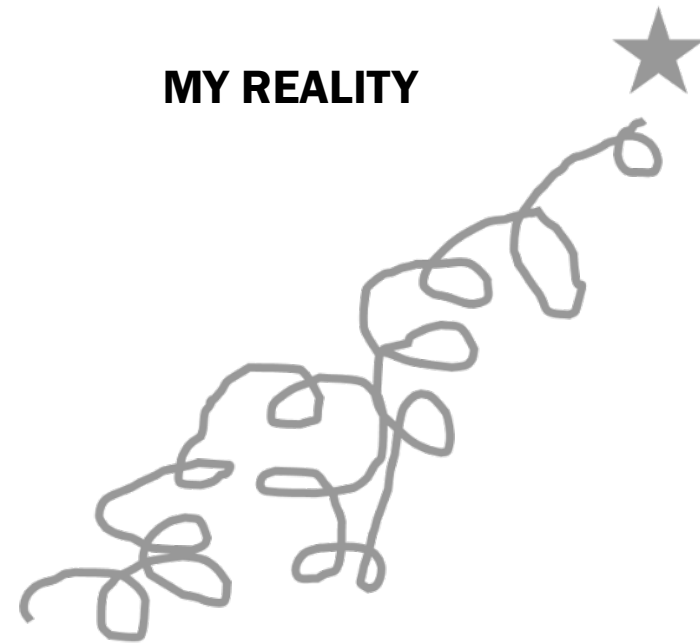
- **CONSUMERS DON'T SHOP ONLINE OR OFFLINE – WE SIMPLY SHOP! IN RETAIL WE NEED TO HAVE ONE OMNICHANNEL STRATEGY AND NOT AN OFFLINE AND ONLINE STRATEGY**
- **ACCORDING TO GOOGLE 67% OF CONSUMERS RESEARCH ONLINE BEFORE VISITING A RETAIL STORE**
- **55% OF VISITORS TO A BABYSAM STORE HAVE HAD A DIGITAL TOUCHPOINT WITH BABYSAM BEFORE ENTERING A STORE**
- **ATTRACT AND RETAIN CONSUMERS IS KEY FOR SUCCESS. PERSONALISATION IS A PIVOTAL PART OF THAT JOURNEY**
- **KEY TO REMEMBER THAT OMNI = INVESTING IN ALL CHANNELS AND ASPECTS OF THE CUSTOMER JOURNEY**

NEVER GIVE UP!

MY IDEAL



MY REALITY





THANK YOU