Cegid Connections

Retail. Set a new pace

Monaco, Monte-Carlo
June 13 – 14, 2022

New consumption models & sustainability

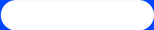WS01

Summary

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Cegid
Solution Architect

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Introduction

Recent consumer trends

Cegid Connections

Brandwatch

Consumer Trends for 2022

To many people, the pandemic has been an eye-opener as it put many aspects of their professional and personal lives into perspective. Lockdowns, quarantines, and restrictions forced many to reassess their lifestyles and the future.

SOURCE

Brandwatch

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Main customer expectations: price & quality

Consumer advocacy posts for top US and UK retailers on social media

Mentions ●

Reason for advocacy	
Price/Value for Money	
Quality of Products	
Delivery	
Customer Service	
Sustainability	
Treatment of Employees	

0   1000   2000   3000   4000   5000

Gap between intentions & facts

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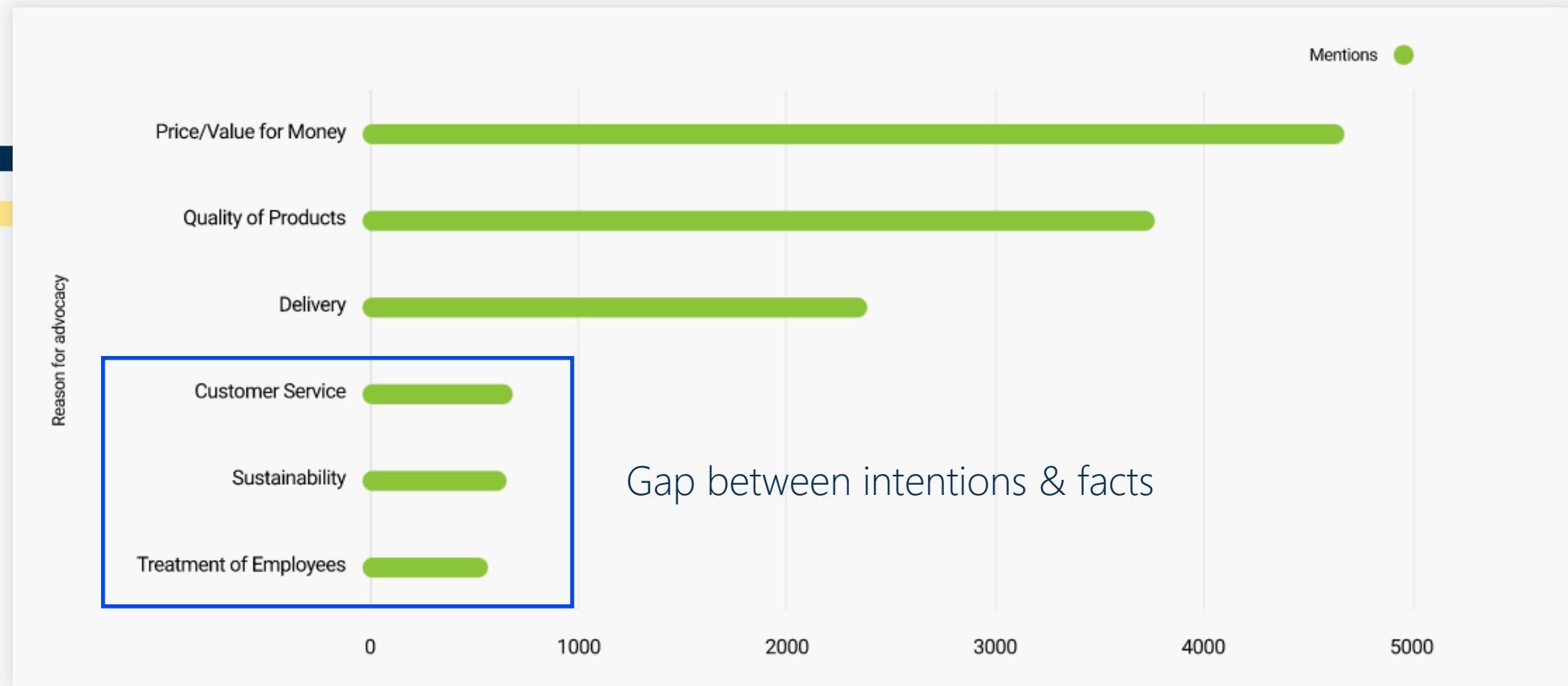
Warning on delivery & HR

Consumer detraction posts for top US and UK retailers on social media

Mentions ●

Reason for detraction	
Delivery	
Treatment of Employees	
Quality of Products	
Sustainability	
Customer Service	
Price/Value for money	

0   1000   2000   3000   4000   5000   6000
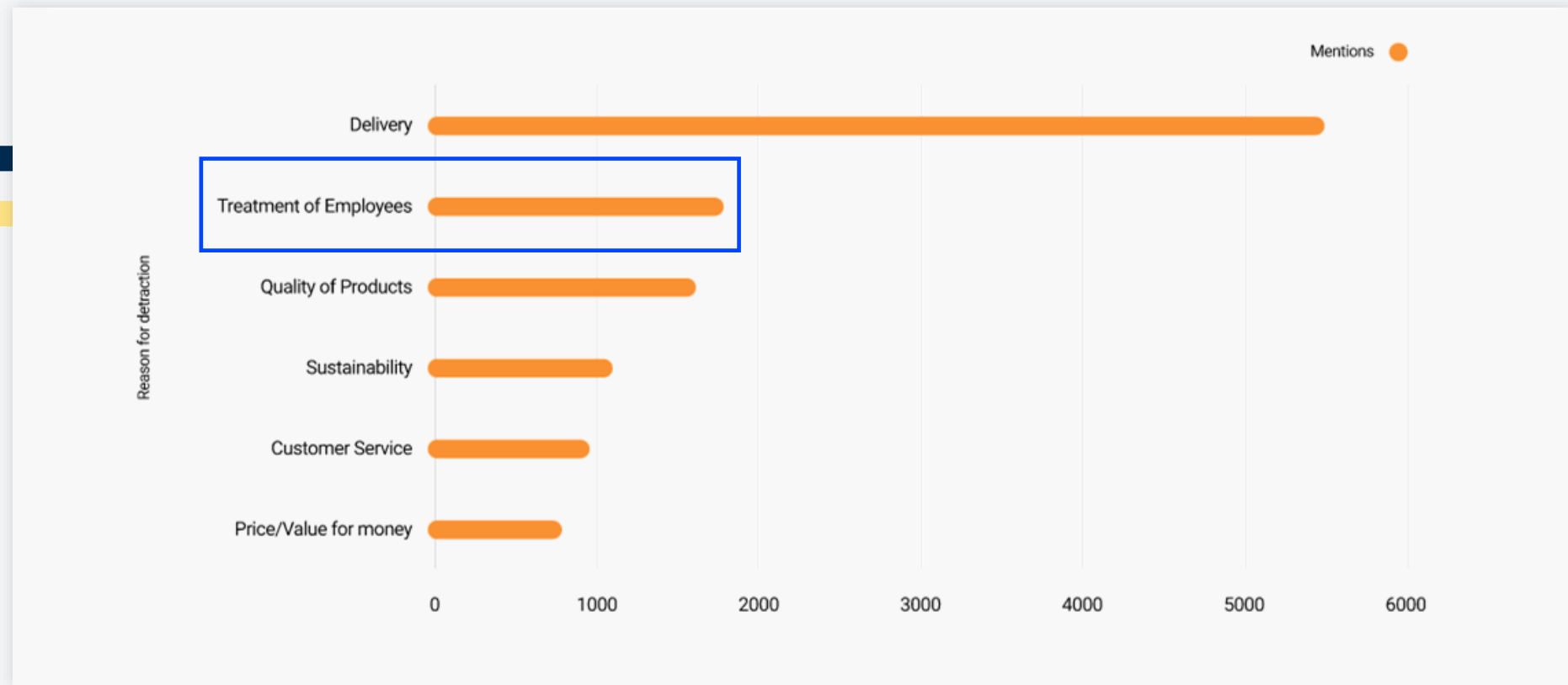
Specific expectations by country

Less than a third of consumers integrate brand social responsibility into their purchases (Wavestone)

Integration of social responsibility criteria in purchasing acts
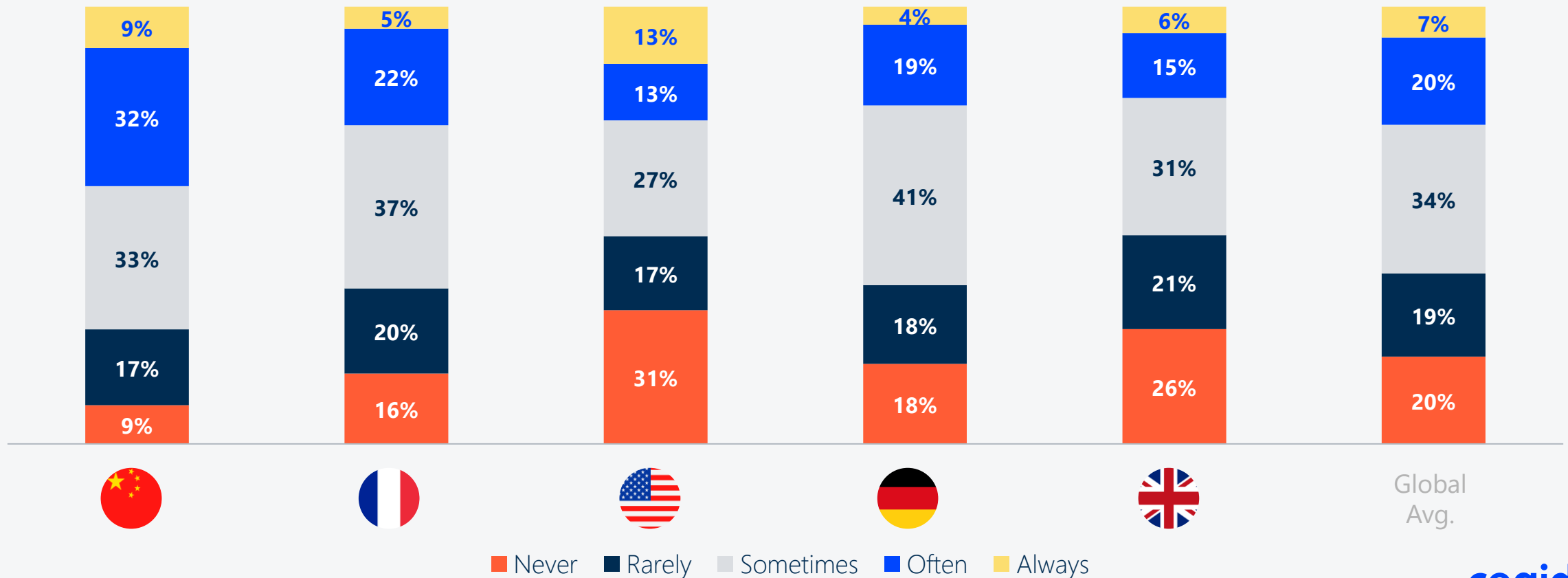

	China	France	USA	Germany	UK	Global Avg.
Always	9%	5%	13%	4%	6%	7%
Often	32%	22%	13%	19%	15%	20%
Sometimes	33%	37%	27%	41%	31%	34%
Rarely	17%	20%	17%	18%	21%	19%
Never	9%	16%	31%	18%	26%	20%

■ Never ■ Rarely ■ Sometimes ■ Often ■ Always

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Cegid Research

Second hand & Recycling in-store

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Second hand

70%
of French peoples wardrobes haven't been worn in the last 12 months

18%
of clothes in your closet will become resale in 2030

60%
think second hand is underrepresented in-store

The Fashion Law

Second hand fashion market is expected to be more than double the size of fast fashion by 2030

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Second hand

This is just the beginning

Resale is expected to grow 11x faster than the broader retail clothing sector by 2025

$77B
2025

$37B
2021

$27B
2020

Source: ThreadUp study, 2021

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MARKET

Customers are clearly in favour of selling and buying 2nd hand items in stores.

+ economic, CSR commitments...

Needs
Have a wide choice of 2nd hand products

Offer the same experience as for new products

MUST
Offer exclusive & rare items

BRANDS

Few high-end and luxury brands have embraced the adventure / Mass Fashion have taken the train.

Challenges
Organise the shop accordingly (Accept items, clean...) / Create dedicated shops / brands / corners

Communicate to customers

Do not break the brand image and the in-store experience...

TECH

Most of the use cases observed are carried out with partner solutions that operate as new purchase/resale tunnels for second-hand items (e.g. Faume, etc.)

Opportunity
Centralise purchasing flows in our Retail IT systems to simplify the buying/reselling experience for consumers & optimize in-store operations

BIZ

The market is not yet mature, but several players are already positioning themselves in the niche (Faume, Freepry, Lizee, etc.)

The number of shops that will operate second hand will undoubtedly be reduced vs. traditional shops.

Reselling a product online is very expensive and not profitable for now (cost of acquisition, shooting, logistics, etc.)

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Survey conducted by Cegid – May 2022
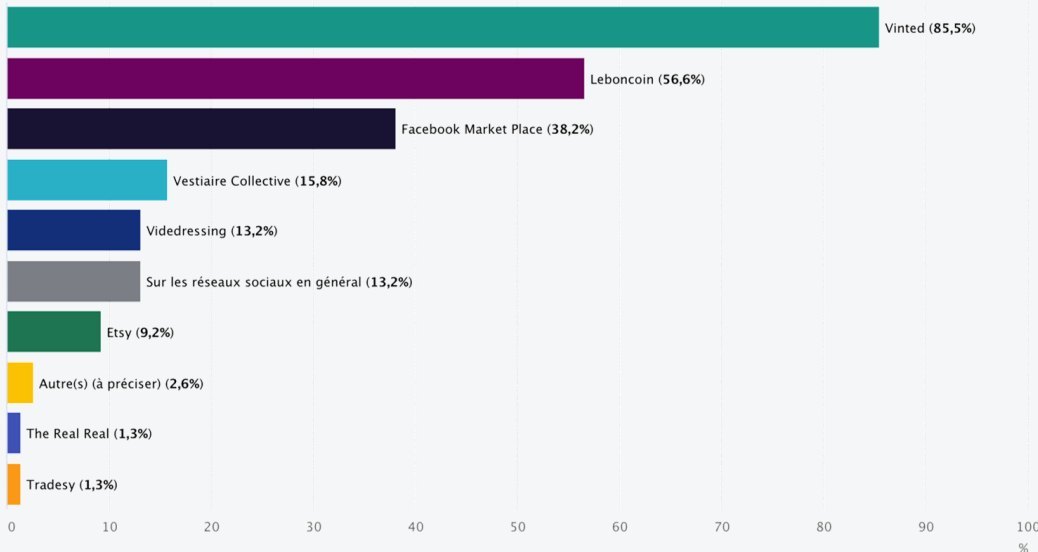
+60%

of consumers think that the 2nd hand is not widespread enough in stores

71%

of consumers would be more loyal to a brand that develops actions to democratise and optimise access to second-hand goods in stores

62,4%

of consumers would prefer to go to a store to buy a high-end second-hand item

Vinted (85,5%)

Leboncoin (56,6%)

Facebook Market Place (38,2%)

Vestiaire Collective (15,8%)

Videdressing (13,2%)

Sur les réseaux sociaux en général (13,2%)

Etsy (9,2%)

Autre(s) (à préciser) (2,6%)

The Real Real (1,3%)

Tradesy (1,3%)

0 10 20 30 40 50 60 70 80 90 100
%

+

Confidence in the authenticity of the product / limit counterfeiting

Get a voucher, immediate refund or exchange

Have the same experience as new products (quality, try, return, etc.)

More ecological

Not managing the logistics to sell

-

Cannot set selling price

Cannot negotiate the purchase price

Fewer choices

Go to the store to return

Seek rare, unique items

An interesting price for the sale, + affordable for the purchase

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On the field
Some in-store initiatives

PARTNER

Corner

TILT VINTAGE

Buy · Sale

citadium C

BUILD

Lyon Shop

Centralises the resale of products collected in the region. In place for 2 weeks – it works well!

Buy · Sale

PETIT BATEAU

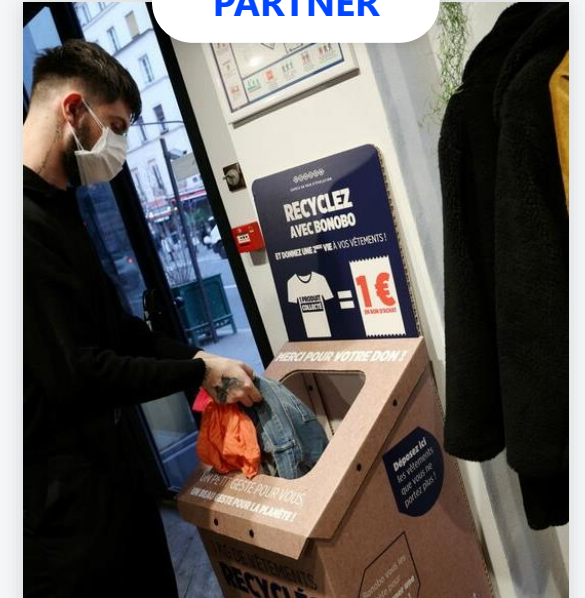---

PARTNER

Centralised platform via Faume

Few in-store pick-ups at the moment / available in all stores
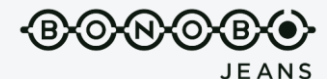
Buy · Sale

AIGLE
DEPUIS 1853

PARTNER

Collection of used clothing for recycling

Buy · Sale

BONOBO JEANS

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2ⁿᵈ hand in-store - Legal

Tax on sales price

×

Tax on margin

Line by line

Global

Traceability Registry
'Livre de police'

Legal notices on receipts

In addition to the usual legal notices, receipts for second-hand goods taxed at the margin must justify the absence of VAT:
"Special regime - Second-hand goods" followed by *"in accordance with the 16th of article 242 h of the Annex II of the CGI".*

In addition, it is forbidden to mention VAT on the sales invoice of a second-hand good taxed at the margin.

No tax refund possible on goods taxed at the margin
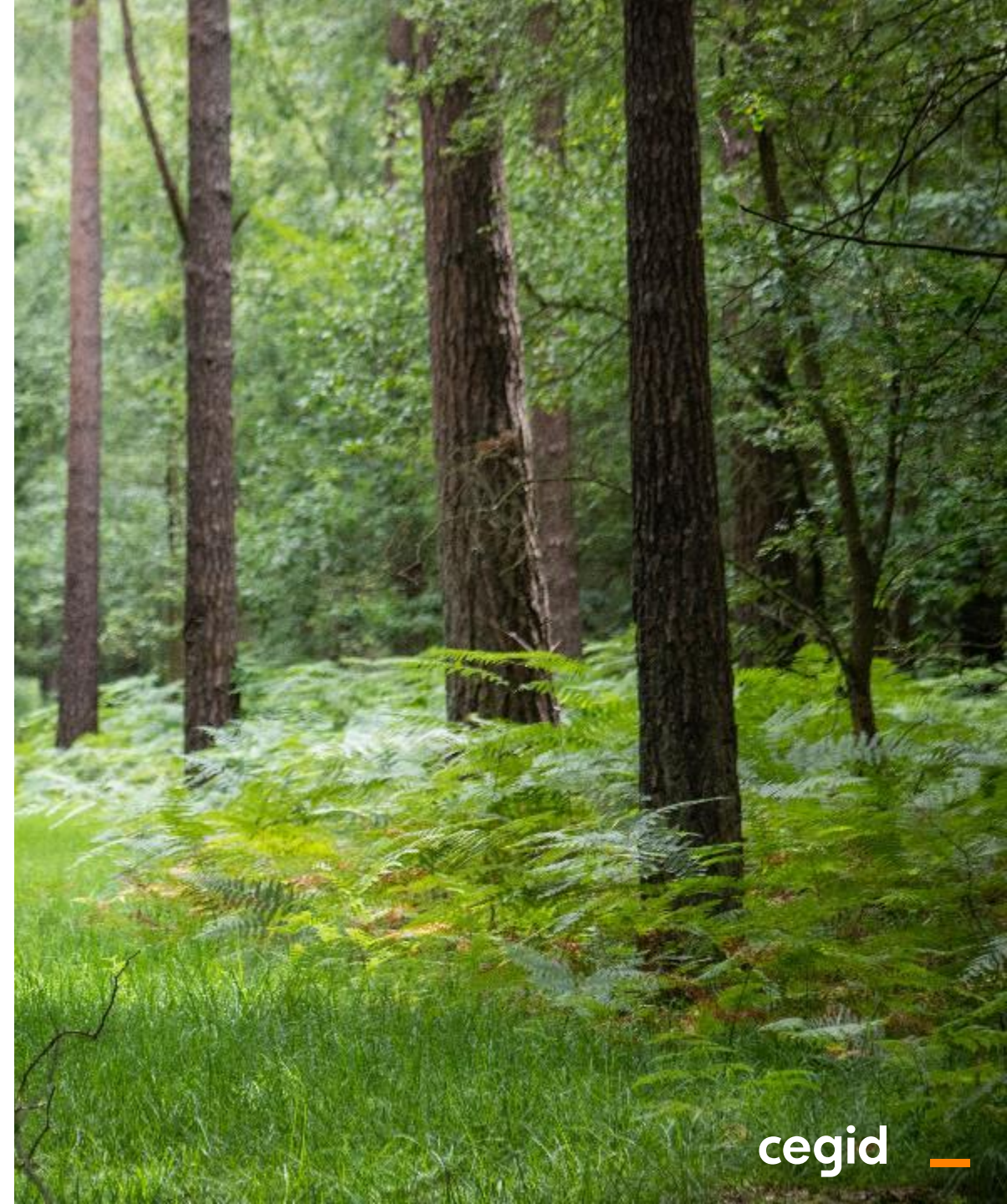
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CSR: strategy and implementation in Retail

Yves Rocher

Cegid Connections

Acting for responsible digital

June 2022

GROUPE ROCHER

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Context

The Rocher Group, within a global CSR approach, is deploying its Responsible Digital strategy.

Context

Digital has multiple positive impacts in our lives...
... But it is not immaterial and has a real impact on the environment. It is urgent to act.

Some figures (*)
- Digital is 4% of greenhouse gas emissions, more than air transport
- This footprint will double or even triple in the next 15 years
- 80% of this footprint is due to **terminals** (mainly manufacturing)
- 15% due to Datacentres

Challenges

Deploy a Responsible Digital Strategy

- Which does not only involve the IT department but the entire organisation (purchasing, digital, marketing, logistics, etc.)
- That aims for digital sobriety: Control of equipment and uses

(*) Source : INR, Minitry of Ecological Transition

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The 4 pillars of responsible digital

GRTS's 2030 ambition towards responsible digital

Green IT

Eco-conception and data
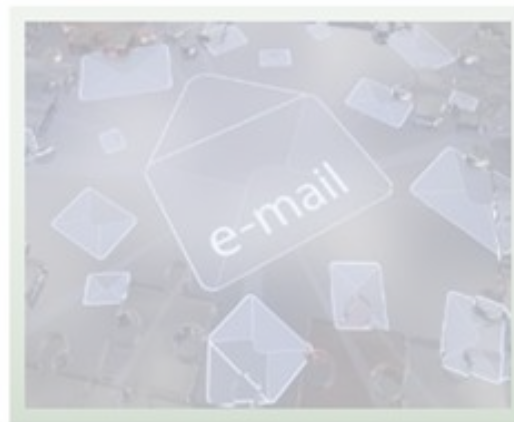
Adoption of sober digital uses

IT for Green

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The 4 pillars of responsible digital

Green IT

Eco-conception and data

Adoption of sober digital uses

IT for Green

How to measure and reduce the environmental impact related to digital activities?

✓ Reduce by 30% (vs 2019) the carbon footprint of GRTS

✓ Our priority is to act on the renewal of IT equipment, and the pace of its renewal.
  - Integration of CSR criteria in RFPs for smartphones
  - Supply of refurbished smartphones
  - Increase the renewal period of PCs
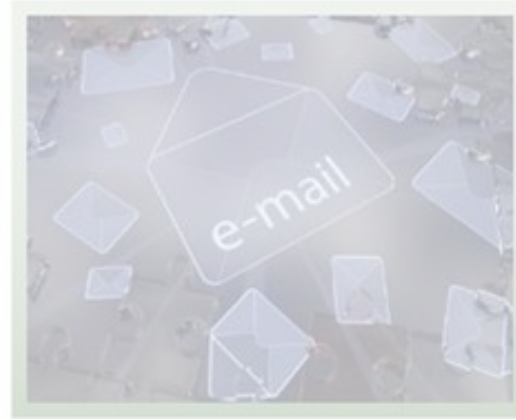 - Use repair and reconditioning channels, before recycling

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The 4 pillars of responsible digital

Green IT

Eco-conception and data

Adoption of sober digital uses

IT for Green

How to develop an IS that is resilient, sustainable and accessible to all?

✓ Introduction of the responsible digital dimension in our IT project decision support tools.
- Addition of validation criteria in the same way as architecture, planning, budget, etc.
- Examples of topics assessed: Energy management, Design of the solution, decommissioning, CSR evaluation of partners (ECOVADIS), etc.

✓ IT/business training in eco-design principles

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The 4 pillars of responsible digital

Green IT

Eco-conception and data

Adoption of sober digital uses

IT for Green

How to develop more sober digital uses within the Group?

✓ Digital week
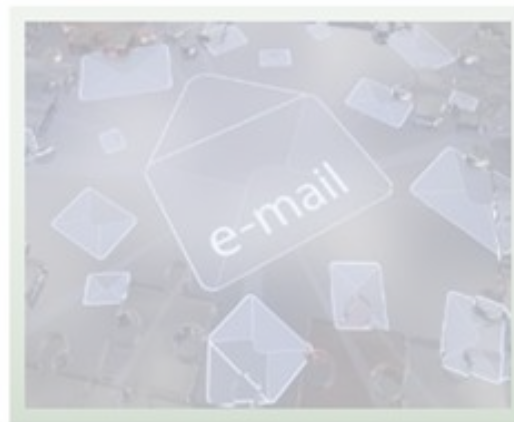- 14 workshops, more than 200 participants in 2021

✓ Low carbon territory program

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The 4 pillars of responsible digital

Green IT

Eco-conception and data

Adoption of sober digital uses

IT for Green

It means putting digital technology at the service of the Group's CSR projects

All Rocher Group departments are committed to a CSR approach, digital technology can be an accelerator in the ecological transition

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CSR: How Cegid could help you move forward

Klaxon

Cegid Connections

Cegid has studied several solutions to help Brands and Retailers address CSR issues

We will present them and you can vote for your preferred solution

Let's start by presenting each proposition

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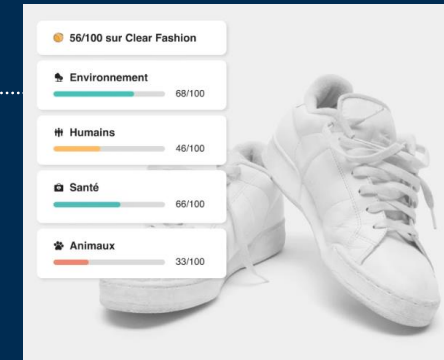
Themes you would like Cegid to address

TRANSPARENCY

- Integrate more detailed data on suppliers / manufacturers (sourcing tracking)

- Product carbon footprint on the (e)receipt / (e)invoice

- Eco score calculation based on % of green / recycled product on a transaction

- Integrate URLs in the e-receipt (to get all CSR data on each product),
« ClearFashion » embedded solution (or as LiveStore Extension)

COMPLIANCE

- Tax calculation for second hand on each sale

- Traceability Registry « Livre de police »

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Themes you would like Cegid to address

CIRCULAR PRODUCT APPROACH

- Renting / subscription integration in our solution

- Improve repair management in our solution (add refurbishing features)

- Secondhand sales integration in our solution: Ability for loyal customers to declare a previously bought products as available for sale (and receive notification when someone wants it)

- Connectors for Lizee & Faume

- Improve returns management in order to reduce their carbon footprint

- Improve our product search engine to better implement CRS criterias

OTHERS

- Provide CSR oriented KPIs

- Cegid should address other topics ☺

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Survey

https://www.klaxoon.com/

HTNPVJG

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NFT Passport answering to new purchasing behaviours

Trust-Place

Cegid Connections

A game changer in digital identity and ownership management

TRUST-PLACE
endless passion

" SECOND-HAND IS DEVELOPING ...

... but highlighting existing problems

- **Digital is booming... counterfeiting too!**

  80% of resale is digital

  Counterfeiting rises **3x faster** than e-commerce growth

  37% of e-shoppers have already bought fakes

- **Transparency becomes a purchasing criteria**

  45% of Millennials & GenZ refuse to buy from unsustainable brands

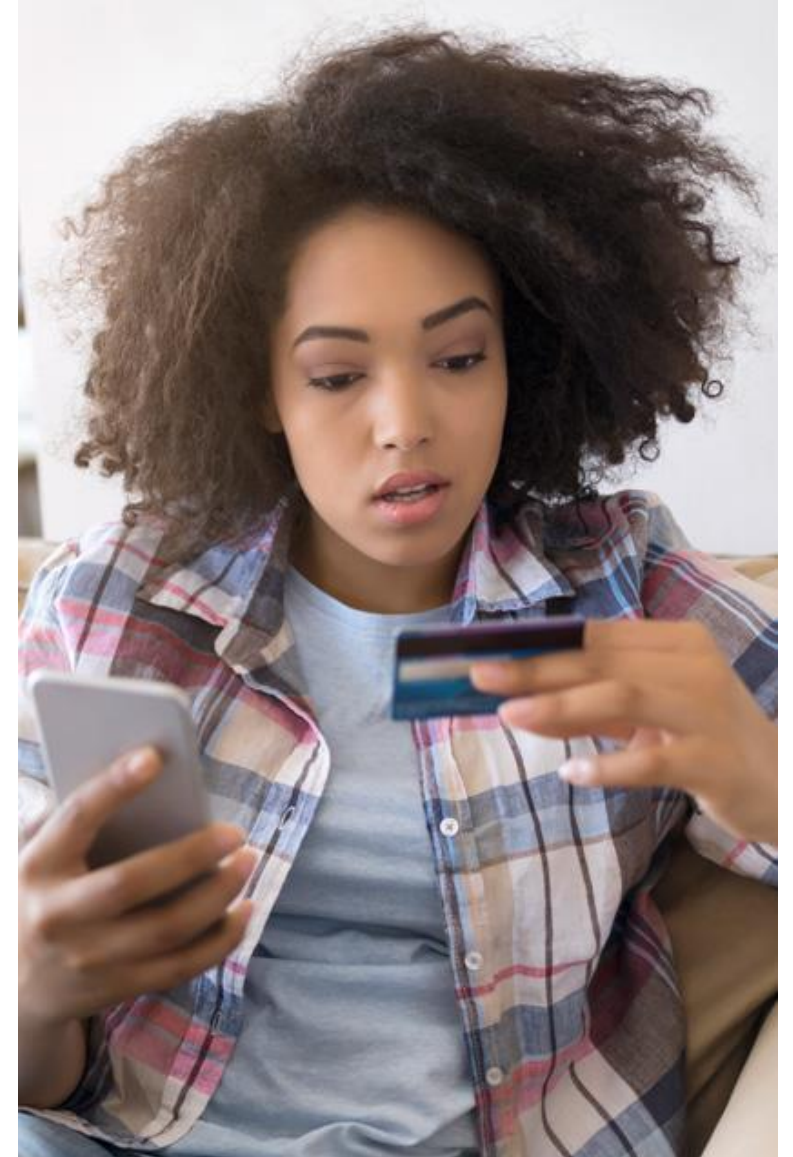 **90%** of GenZ want co-responsible explanations from brands

  68% of new generations want the highest ethical standards for their clothes

- **Brands don't know their customers**
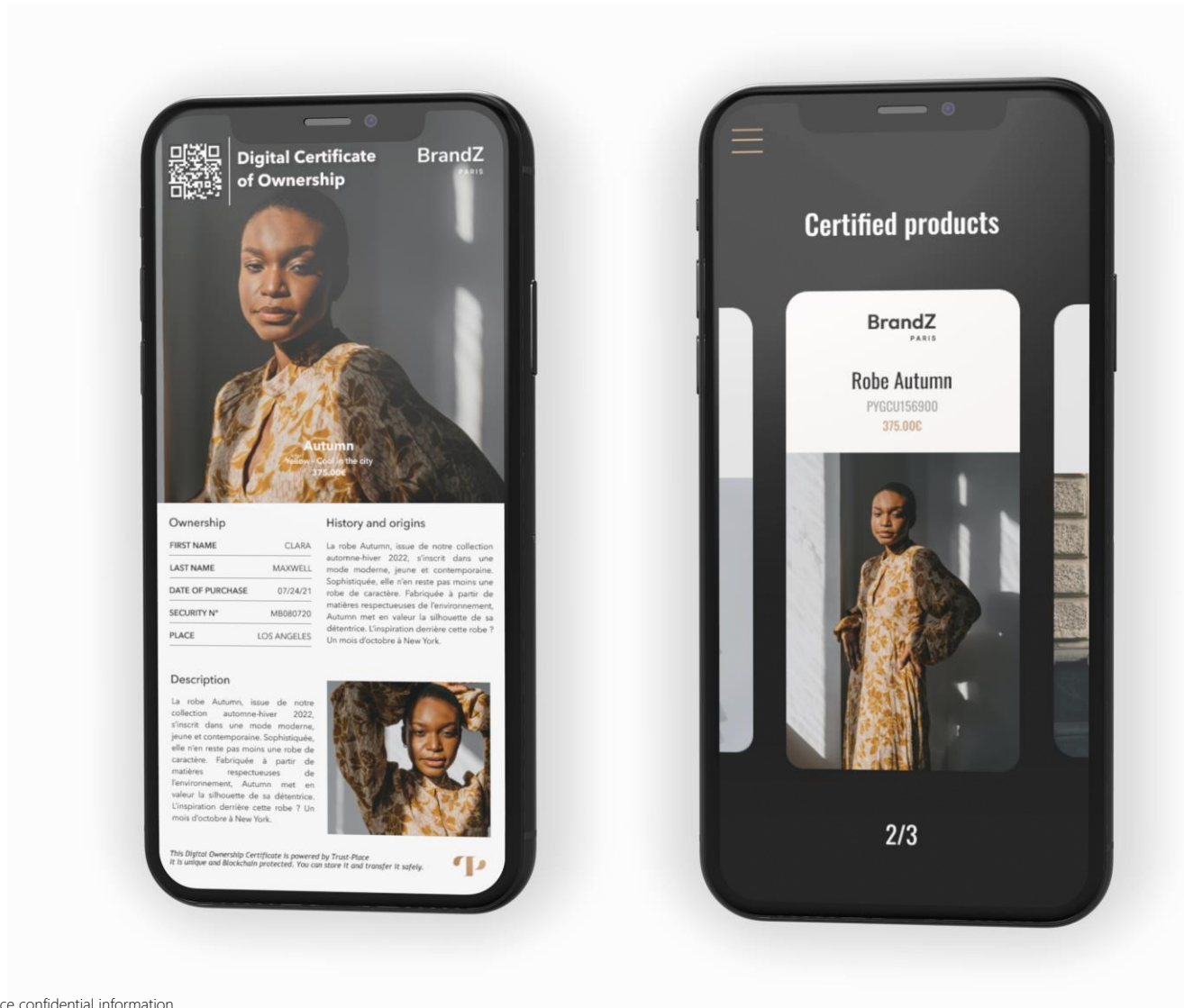
  +50% of sales are indirect (wholesalers)

  12% of the market is coming from second-hand

  20% of sales on average are gifts

Sources : BoF, McKinsey, Thred Up, UNiDAYS, BCG

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" A TOOL IS DEVELOPING VERY QUICKLY…

… to help solve these problems

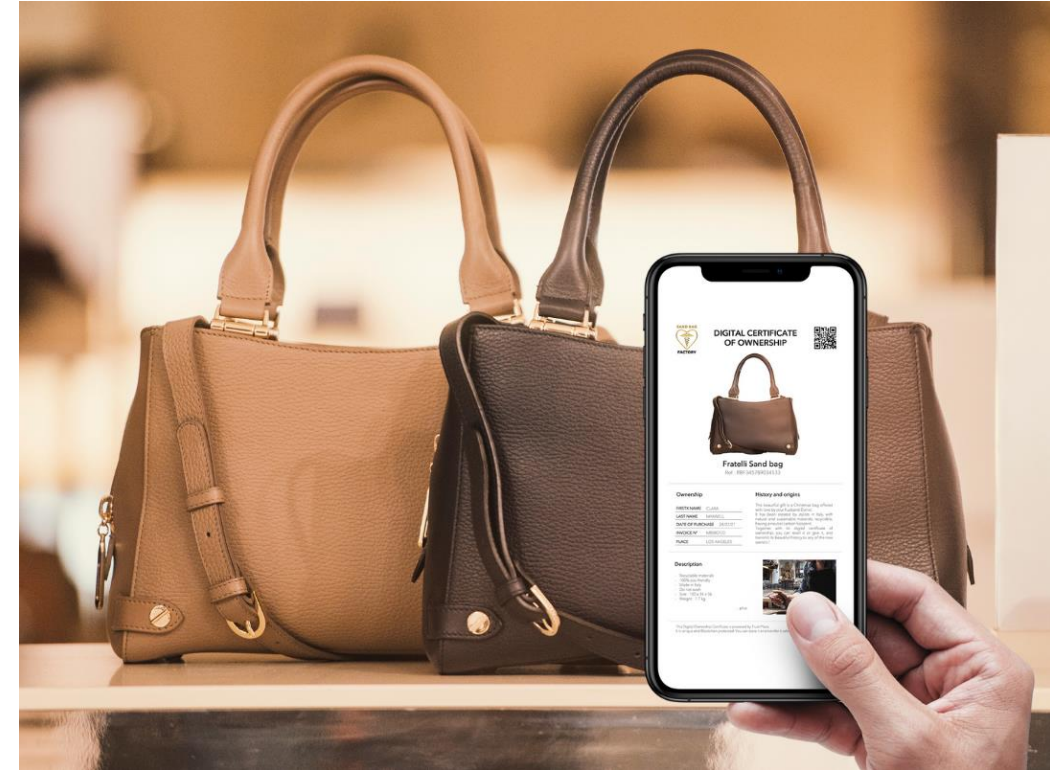## The Digital Passport

aka

The Digital certificate of ownership

aka

The NFT passport

or NFT Passport...

- A dematerialised document

- Encoded and stored on a blockchain

- Linked to a physical object and its owner, unique and tamper-proof

- Which can evolve over time and the life of the product

⚠️ *Not to be confused with an "NFT", which is a purely virtual good, stored and exchanged on a blockchain*

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in response to new buying behaviours

- In the existing resale market, developed by third parties
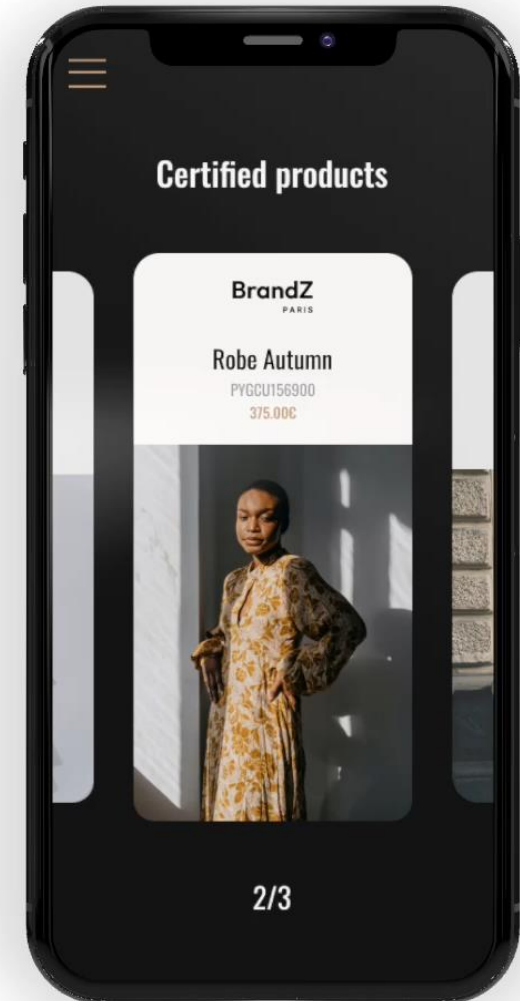
    Retain / maximise resale value
    Secure / reassure the buyer about the authenticity of the product

- For brands that re-integrate second-hand

    Authenticity is even more important
    Their credibility and their image directly depends on it

other benefits generating ROI and meeting new consumer expectations

- **Authentication**

  Prove at anytime and anywhere the ownership and authenticity of the product
  Securing and accelerating flows (returns, after-sales service, resale)

- **New generation of CRM**

  Knowledge and commitment of all customers
  Indirect channels: wholesale, second-hand, gifts

- **Hyper-personalisation**

  Harmonisation of the personalised experience, regardless of the acquisition channel
  Transparency and origin of the product, story proving, inspiration and creation

- **Mastery of communication**

  The brand transmits the information it wishes under its control
  In a world of information overload, it is important to prevent third parties from doing so.

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" THE DIGITAL PASSPORT IS A LINK

a vector which could unlock new data and new business models

Physical world

Metaverse

Compliment to the physical product
Associate digital "wearables" with the product that can be used in the digital world of social networks, or the virtual world of gaming and metaverse

Anticipate productions
Conversely, products developed only in virtual mode can be tested, and "on-demand" products if this product is requested (sustainability impact)

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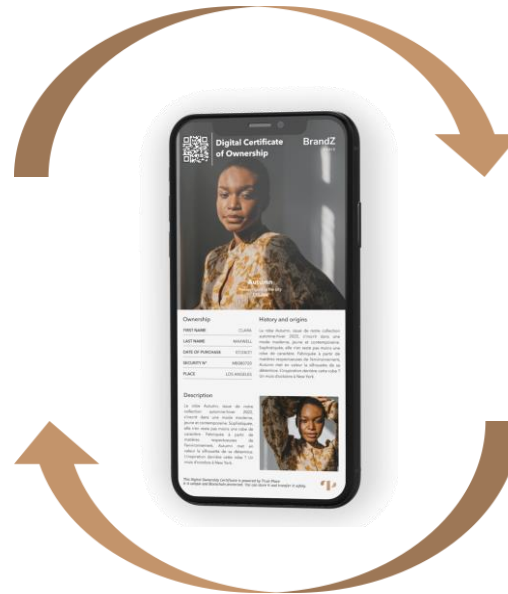
" BE CAREFUL BEFORE DIVING INTO THE VIRTUAL WORLD!

questions need to be asked before exploring these business opportunities

- ## What is the expected return?

  Need to go beyond mere "buzz" or speculation
  Interoperability is necessary (of technologies and universes)
  We're not there yet

- ## What is the environmental impact?

  What is my real energy consumption?
  Awareness and responsibility on the brand and consumer side
  It shouldn't be ruined...

Bitcoin
150 Terawatt/h of electricity annually = more than Argentina (45 million)

Kazakhstan is the second largest Bitcoin hub
50% of energy from high-emission coal-powered plants

3rd generation of blockchain could be a solution (EOS, Tezos, selected by UBI Soft)
Carbon negative Data Centres (Amazon, Google by 2030)

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THANK YOU !

TRUST-PLACE
endless passion

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Co-founder & GM
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Conclusions

CSR & Cegid

Cegid Connections

Vision & Governance by

Supporting the digital transformation of our markets
in an ethical & responsible way

Developing Cegid Solidarity

Social & human rights

Growing our people in a "safe" environment
and "equal opportunities"

Environment

Promoting eco-design
Challenging the impact of data centres

A dedicated team to address a global strategy

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LiveStore green friendly

API oriented

New APIs used by LiveStore

Less server resources
consumption (optimisation)

Bandwidth

Optimised consumption
(GraphQL)

Less interactions between
servers and user terminals

WebApps

Less powerful user terminals

More opportunity to reuse
existing terminals

Less efforts for training

S E R V E R

N E T W O R K

T E R M I N A L

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Conclusions?

It's only a beginning

Most of us have understood CSR challenges

- But there's so much to do (many dimensions)
- Some actions could generate additional costs
- Doing nothing is also risky

The situation is quite complex

Reality is difficult to measure , how to?

- Compare the impact of a receipt vs email / storage / server consumption
- Compare on premise vs. Saas
- Control Saas vendors green declaration

Understanding real consumer expectations isn't so easy

For most of us, there's a gap between intentions & actions

Opportunity

Share reliable data in order to optimise our actions

https://institutnr.org/

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Any questions?

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EVALUATE THE WORKSHOP

01 **Scan the QR code**

02 **Fill out the form**

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THANK YOU

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Annexe : survey results

CSR: How Cegid could help you move forward

Résultats du sondage

1	Integrate more detailed data on suppliers / manufacturers (sourcing tracking)	★ 💬 3
2	Product carbon footprint on the (e)receipt / (e)invoice	★ 💬 1
3	Eco score calculation based on % of green / recycled product on a transaction	★
4	Integrate URLs in the e-receipt (to get all CSR data on each product),☐« ClearFashion » embedded solution (or as LiveStore Extension)	★ 💬 1
5	Tax calculation for second hand on each sale	★
6	Traceability Registry	★
7	Renting / subscription integration in our solution	★

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Annexe : survey results

8	Improve repair management in our solution (add refurbishing features)	★
9	Secondhand sales integration in our solution: Ability for loyal customers to declare a previously bought products as available for sale (and receive notification when someone wants it)	★
10	Connectors for Lizee & Faume	★
11	Improve returns management in order to reduce their carbon footprint	★
12	Improve our product search engine to better implement CRS criterias	★
13	Provide CSR oriented KPIs	★
14	Cegid should address other topics	★ 💬 1

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