

STRATEGIC  
PARTNER  
DAY

# Partnering for Growth

Andreas Rödl, VP Category Men

Jesper Larsen, Director Operations & Merchant Economics

Jan Bartels, SVP Customer Fulfillment

# Partner Program as a vehicle for our Customer Promises

- 1 **Choice**
- 2 **Inspiration**
- 3 **Personalization**
- 4 **Convenience**
- 5 **Trust**
- 6 **Sustainability**

# The state of the Partner Program.

# Continued double digit growth story.

2018:  
**+64%**

2017: +94%

2016: +93%

2015: +42%

**Extra range  
is driving  
the growth.**

**Partner Program  
Gross Merchandise Volume:**

**+80%**  
**from  
assortment  
increase**

# Customer satisfaction is strong.

Net Promoter Score:

**+18**

**vs. last year**

STRATEGIC  
PARTNER  
DAY

Our foundation  
is strong.

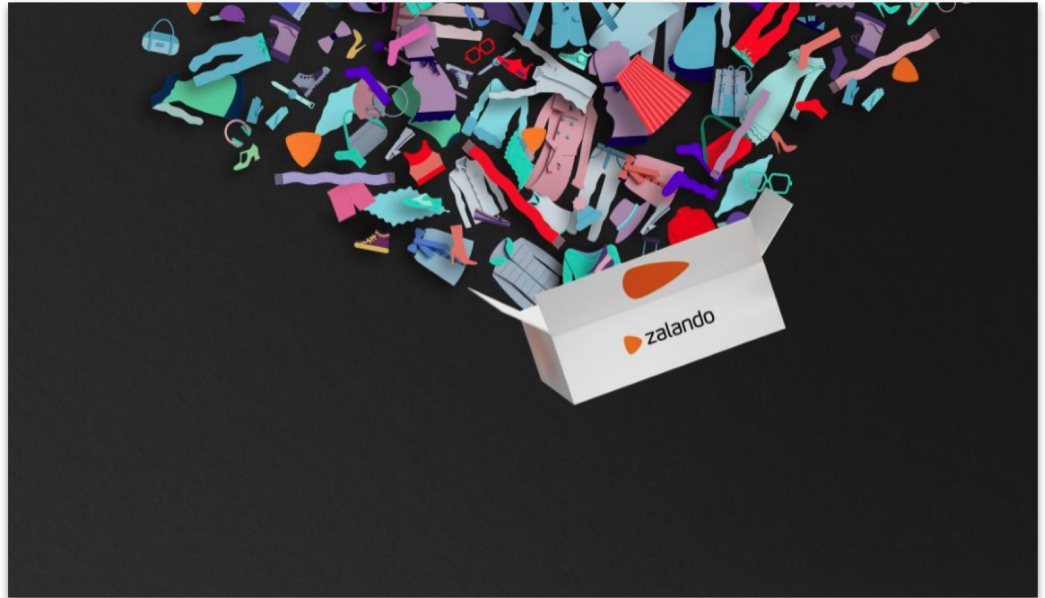
7

**PP Brand  
Success Story:**  
**Top 50 in 2016**  
**Top 5 in 2018**

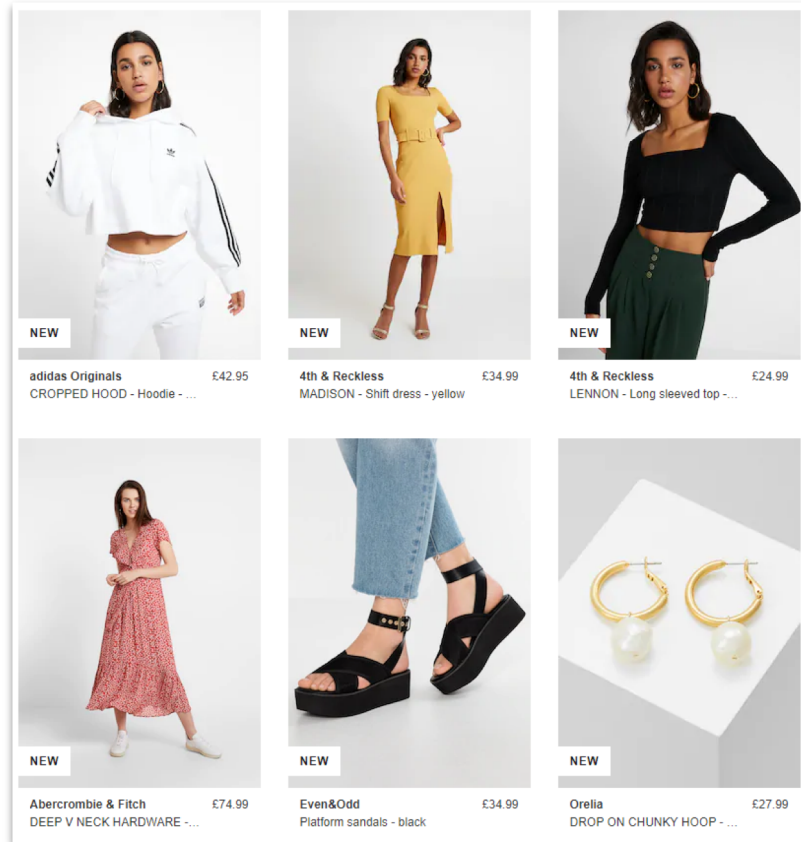




# Cyber Week: Brands with more than 100.000 Partner Program orders

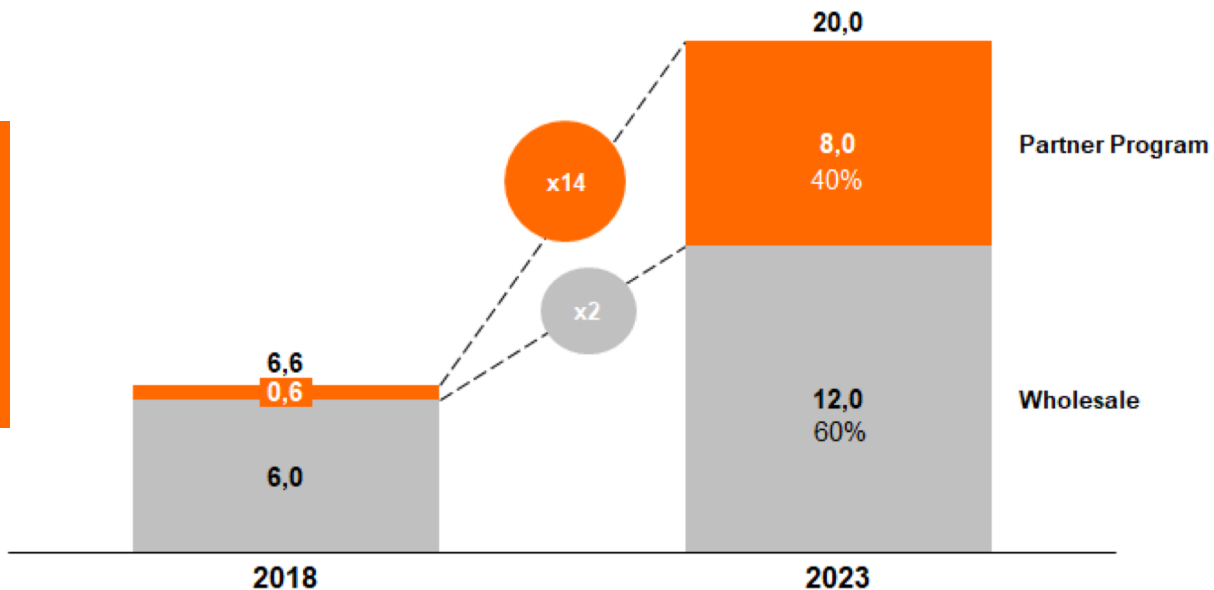


**On top sales:**  
**15-20% Net**  
**Merchandise**  
**Volume share**  
**80% of which from extra**  
**assortment**



# Partner Program in 2023

8 bn



Zalando Wholesale and Partner Program development 2018 to 2023 (bEUR GMV)

# How to capture Zalando Share?

# Connect with her

Example Metric:

# Traffic Weighted Availability Rate

## 84% Availability

▲ +2% vs Peers

▼ -8% vs Top

# We will build new tools



# Introducing: Zalando Direct

☰
**IN SEASON**
zalando
🔍 🛎️ 👤

Top Performers
**Replenishment**
At Risk
Worst Performers

Brand ▾
Net Week Cover ▾
Download **325**

	Product	Weekly Sales	Return Rate	Stock	Weighted Availability	Net Week Cover <small>(Estimated)</small>	
<input type="checkbox"/>	<b>Flowered Dress - casual</b> <small>WTHING</small>	235	65%	350	68%	2.1	⋮
<input type="checkbox"/>	<b>Summer Shoes</b> <small>WTHING</small>	378	61%	879	53%	2.8	⋮
<input type="checkbox"/>	<b>Street Pants - grey</b> <small>WTHING</small>	183	59%	436	77%	3.2	⋮
<input type="checkbox"/>	<b>Formal Blouse</b> <small>WTHING</small>	146	57%	397	83%	3.3	⋮
<input type="checkbox"/>	<b>Swimming Shorts - striped</b> <small>WTHING</small>	367	55%	1239	68%	3.4	⋮

Product Sizes	EAN	Zalando SKU	Selling Price	ZFS Stock	Add Stock
XS	A1467FS45734	SKU12345678	23.99 €	10	<input style="width: 50px;" type="text" value="100"/>
S	A1467FS45735	SKU12345678	23.99 €	12	<input style="width: 50px;" type="text" value="100"/>
M	A1467FS45736	SKU12345678	19.99 €	4	<input style="width: 50px;" type="text" value="100"/>
L	A1467FS45737	SKU12345678	23.99 €	3	<input style="width: 50px;" type="text" value="100"/>
XL	A1467FS45738	SKU12345678	23.99 €	0	<input style="width: 50px;" type="text" value="100"/>

**ADD TO REPLENISHMENT**



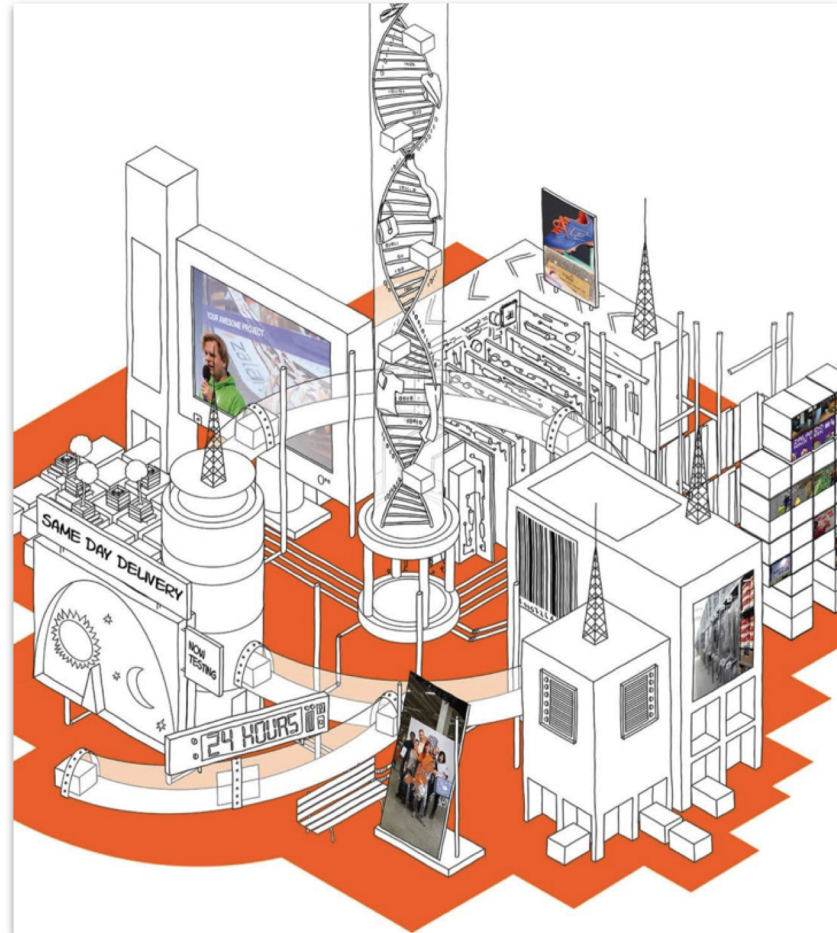
**We will double  
down on the  
Partner Program.**

**Zalando  
Fulfillment  
Solutions is a  
key enabler of  
Partner  
Program**

- 1 **Choice**
- 2 **Inspiration**
- 3 **Personalization**
- 4 **Convenience**
- 5 **Trust**
- 6 **Sustainability**

**A successful  
fashion platform  
goes beyond the  
digital premise, it  
also requires...**

**... a strong  
fulfillment  
backbone**



# Multi-brand fulfillment is complex

# 76%

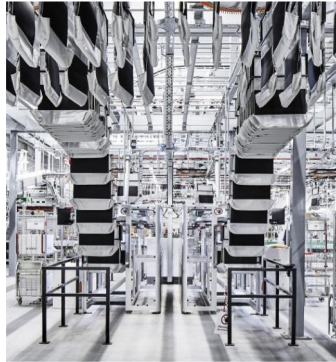
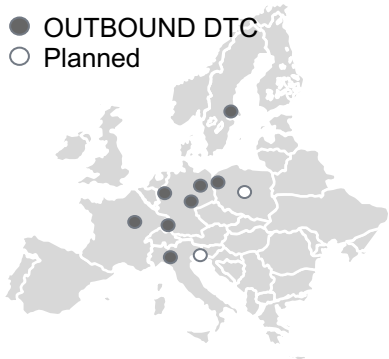
of all items are shipped in multi-brand orders

- ▶ > 2,000 brands
- ▶ > 400,000 styles
- ▶ > 1,600,000 SKUs (articles)
- ▶ Ø 4 items per order (core markets)

# The why behind Zalando Fulfillment Solutions starts with...

## ...ever increasing customer expectations

- ▶ Flawless choice - delivered in no time
- ▶ All of this (of course) at no additional costs
- ▶ Everything needs to be sustainable



**'One Box'**  
**Zalando Fulfillment  
Solutions**



**Close to Consumers**

**Highly Efficient**

**Same & Next Day**

# ZFS offers a **win-win-win** situation



**For customers:** All in “one-box” - convenient and environmental friendly



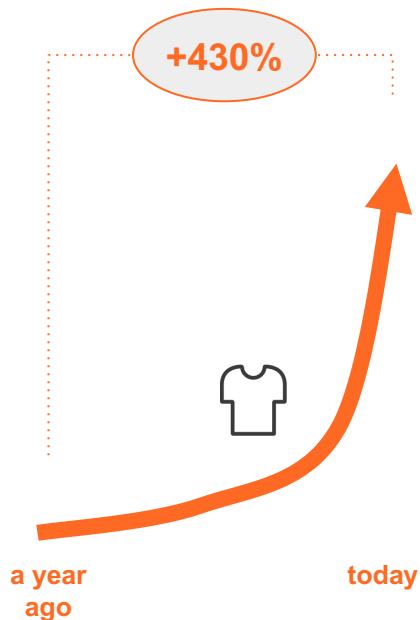
**For you:** more sales at lower costs



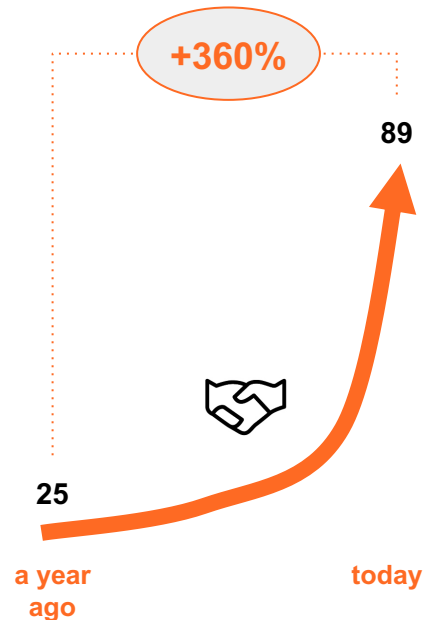
**For Zalando:** Enables Starting Point for Fashion, Beauty and Sports vision

**Strong progress:**  
**Every third**  
**Partner Program**  
**item is already**  
**fulfilled by ZFS**

Total ZFS shipped items



Total signed ZFS Partners





**ZFS generates  
massive savings  
and boosts  
partner  
profitability**

**~25%**

less fulfillment costs



**~10%**

**higher EBIT**

anecdotal evidence  
from an entry price partner

# What about inventory risk?

## What we have achieved



ZFS live in **all non-custom** markets



**Fast replenishment**

## Coming soon



**Multi-channel fulfillment**

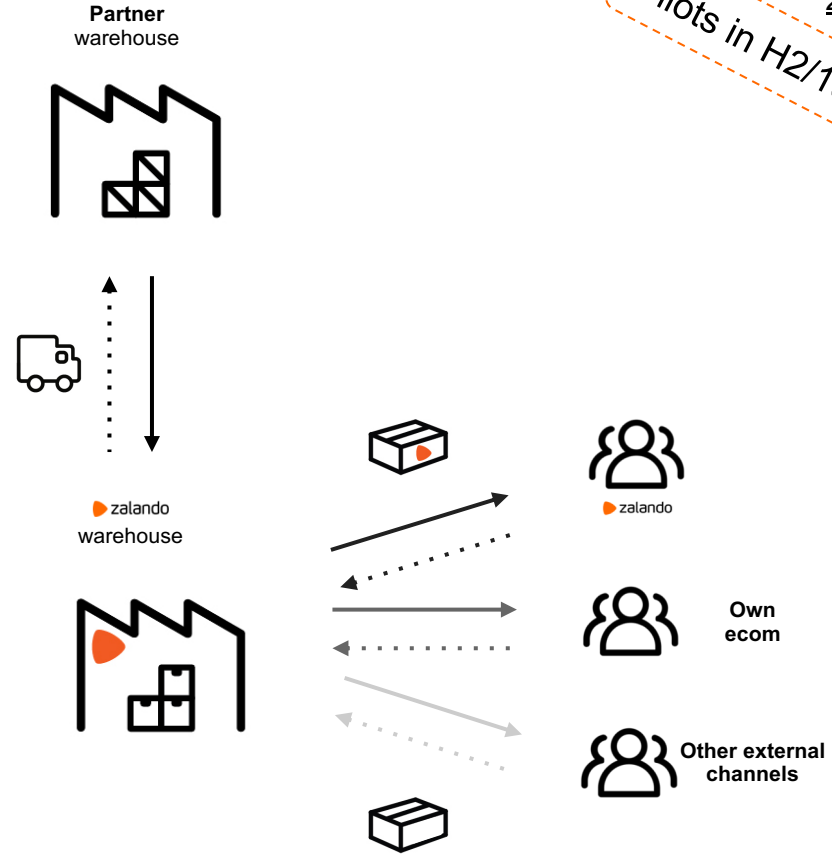


**Zalando Offprice**

# Multi-channel creates in-season stock flexibility

## Key benefits:

- Superior in-season inventory management
- Lower inventory risk
- **Never lose a sale**

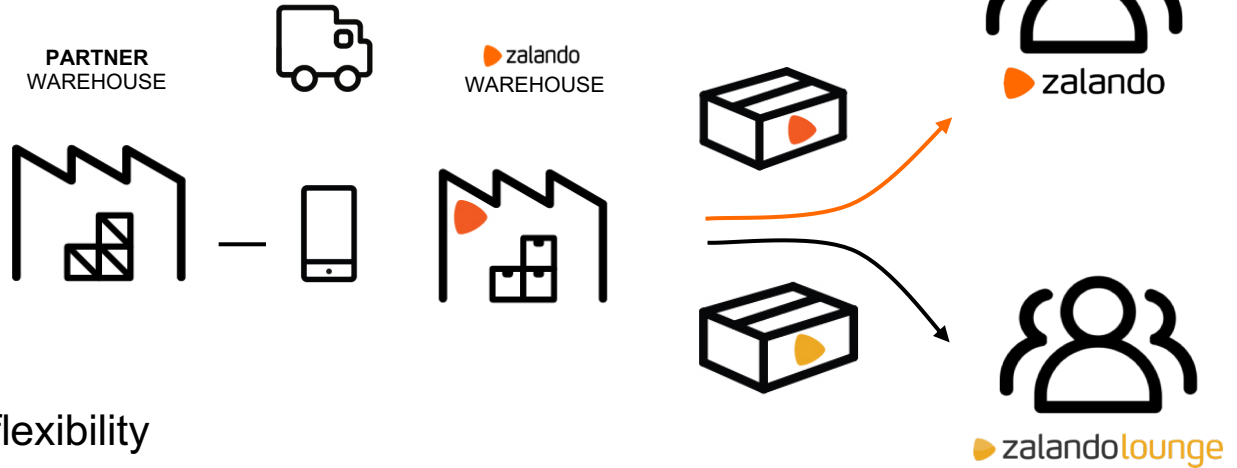


27  
Pilots in H2/19

# ZFS meets Zalando Offprice

## Key benefits:

- Further increase stock flexibility
- Additional revenues
- **One-stop (stock) service**



# Saving the best for last: ZFS is live in Switzerland

## Pilot launch in CH in H2/19

- First to ship items from multiple owners in one box to consumers
- After pilot launch, large partners prioritized for efficiency reasons
- 1st onboarding wave to start soon

**Partner Program** is a proven success.  
New tools enable **deeper relationships**  
and **sustainable growth**.

**Zalando Fulfillment Solutions** is a game changer.  
With **Multi-Channel** and **Lounge Fulfillment**,  
**stock risk gets a different perspective**.

# Thank you!