

STRATEGIC  
PARTNER  
DAY

# Partnering for Growth

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Key Account Management Partner Program

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Fulfillment Solutions

# The purpose of the Partner Program.

# 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**

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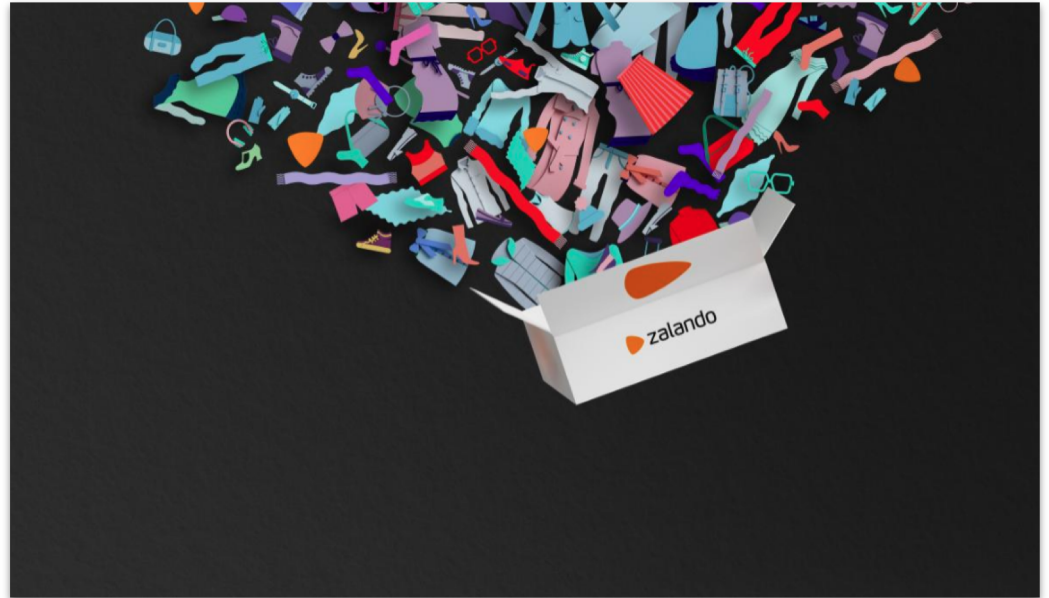
Our foundation  
is strong.



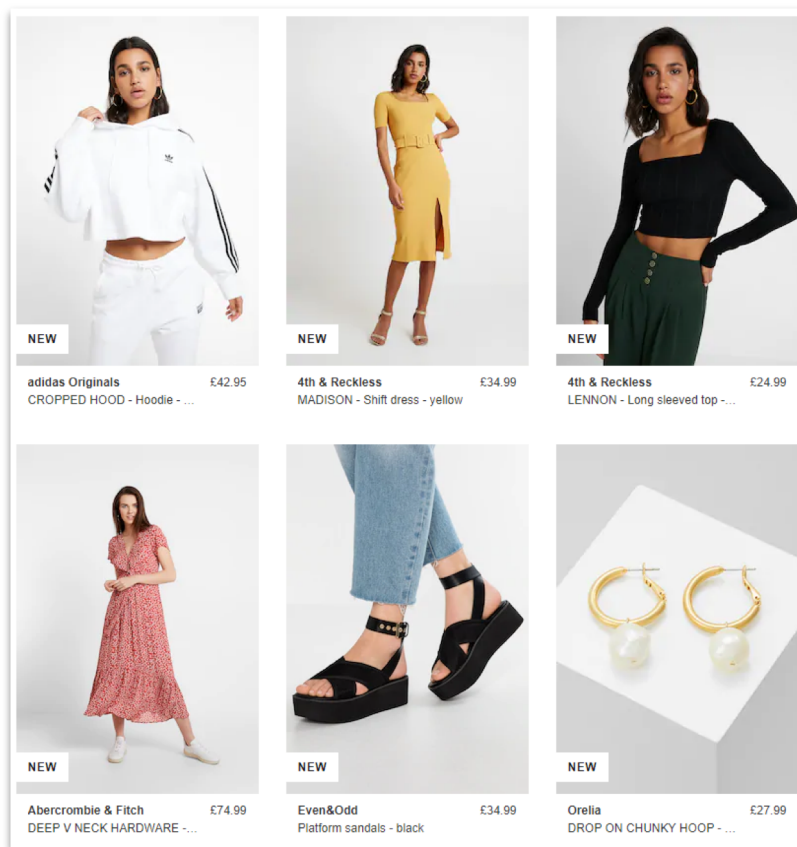
**PP Brand  
Success Story:**  
**Top 50 in 2016**  
**Top 5 in 2018**



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

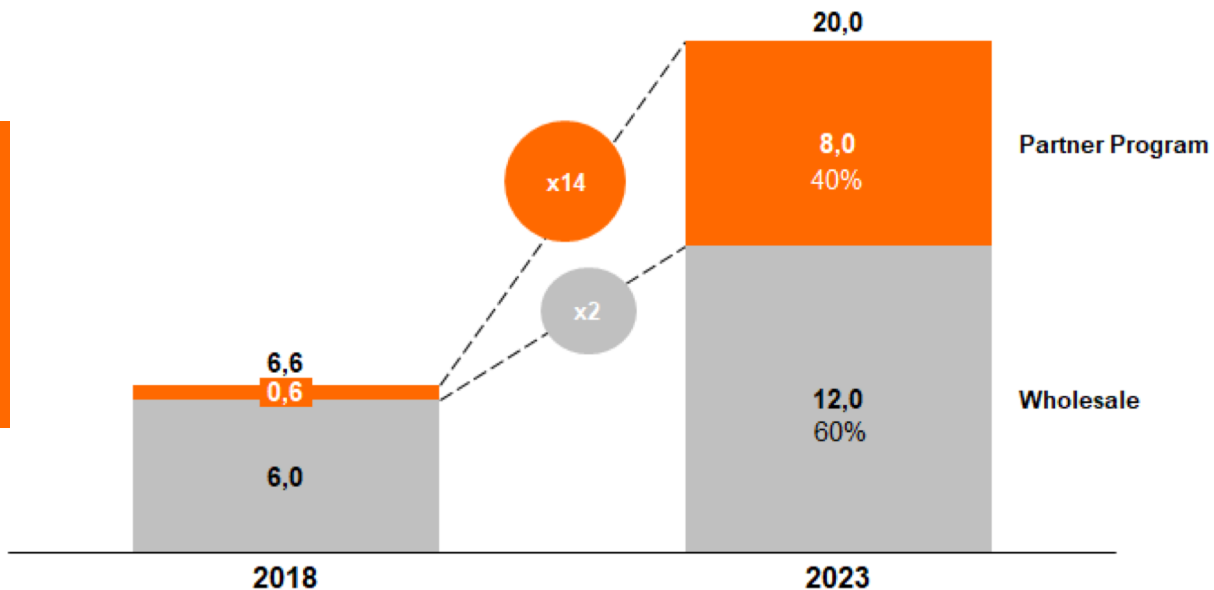


**On top sales:**  
**15-20% Net**  
**Merchandise**  
**Volume share**  
**80% of which from extra**  
**assortment**



# Partner Program in 2023

8 bn



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

# How to capture Zalando Share?

# Connect with her

# We will build new tools













# Introducing: Zalando Direct



IN SEASON zalando

Top Performers **Replenishment** At Risk Worst Performers

Brand  Net Week Cover  Download 125

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

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

<input type="checkbox"/>  Street Pants - grey WTHING	183 	59%	436	77%	3.2	⋮
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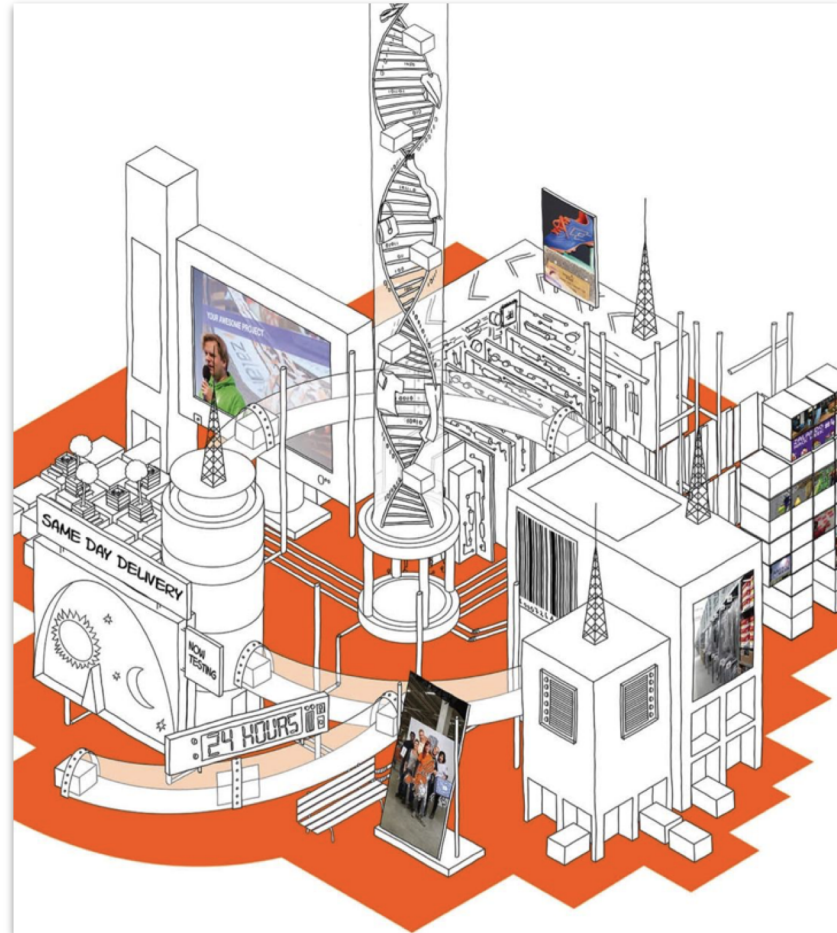
**We will double  
down on the  
Partner Program.**

**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%

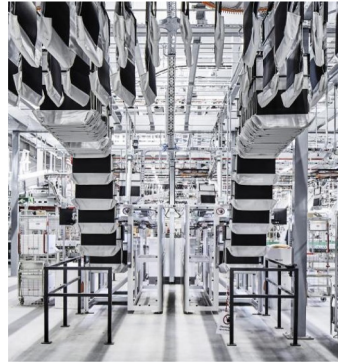
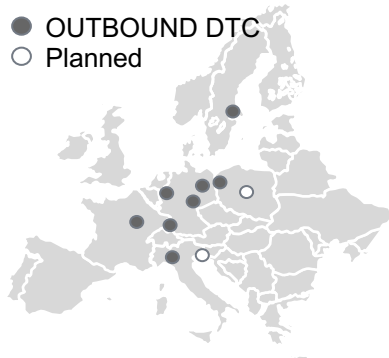
of all items are shipped in multi-brand orders

- ▶ > 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

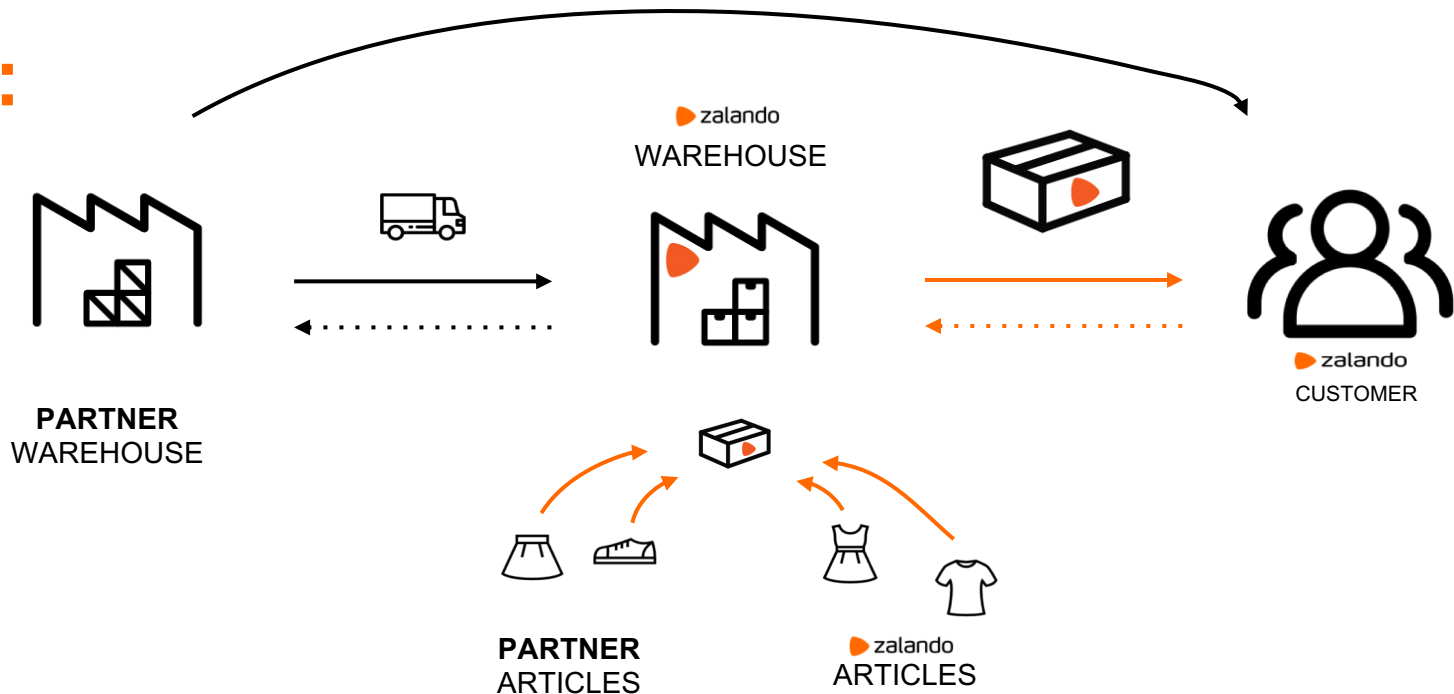


**Close to Consumers**

**Highly Efficient**

**Same & Next Day**

# One box: How it works



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



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



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

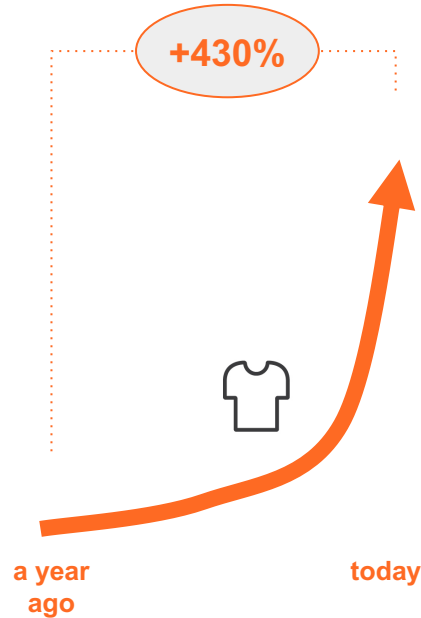


**For Zalando:** Enables Starting Point for Fashion, Beauty and Sports vision

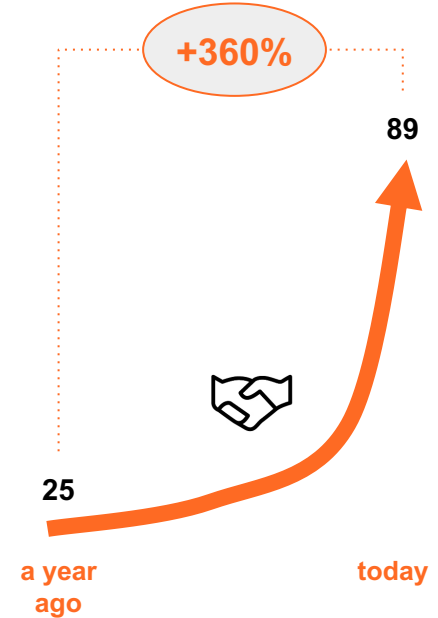


**Strong progress:**  
**Every third**  
**Partner Program**  
**item is already**  
**fulfilled by ZFS**

Total ZFS shipped items



Total signed ZFS Partners



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

**~25%**

less fulfillment costs



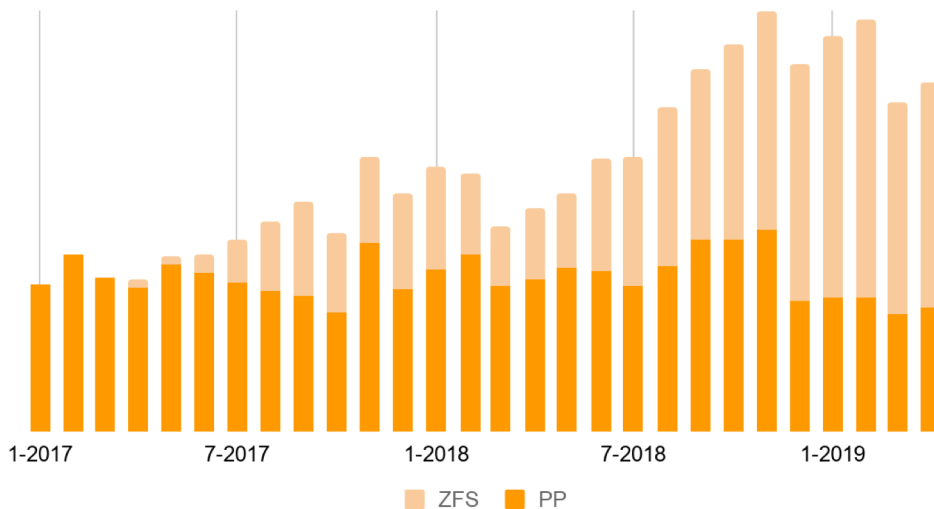
**~10%**

**higher EBIT**

anecdotal evidence  
from an entry price partner

# Key benefit: Enrich assortment and drive sales

Total # of SKU sold by fulfillment type origin



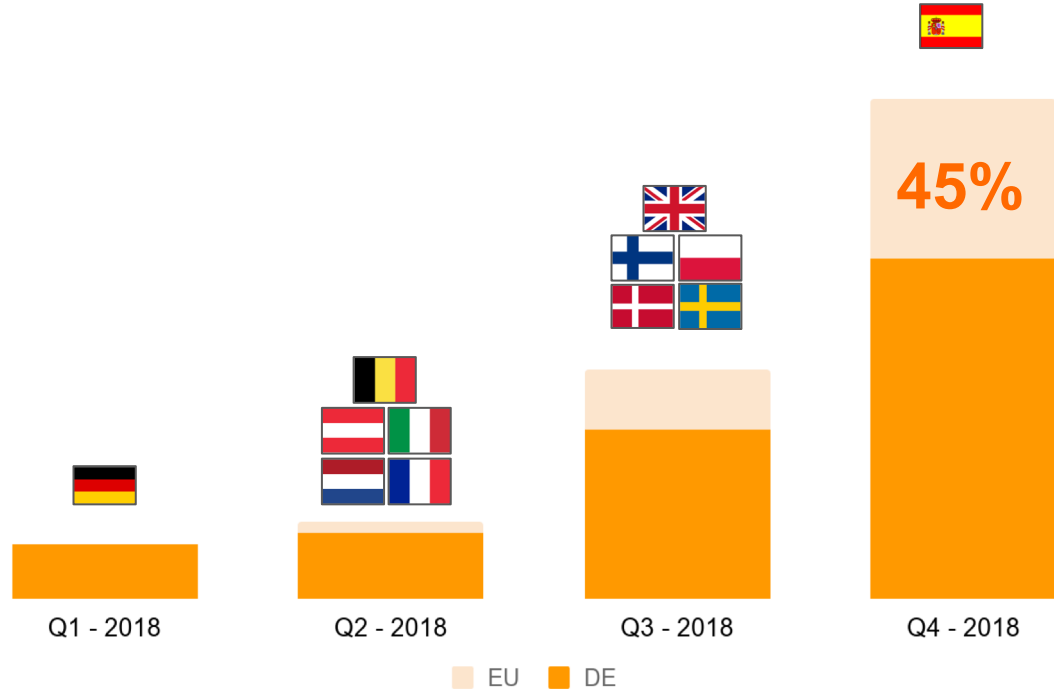
**3x**  
assortment



**2x**  
sales

Source: Total number of config SKUs for an exemplary entry price partner, January 2017-2019 to date

# Key benefit: On top **sales** through **International- ization**



# What about inventory risk?

## What we have achieved



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



**Fast replenishment**

## Coming soon



**Multi-channel fulfillment**

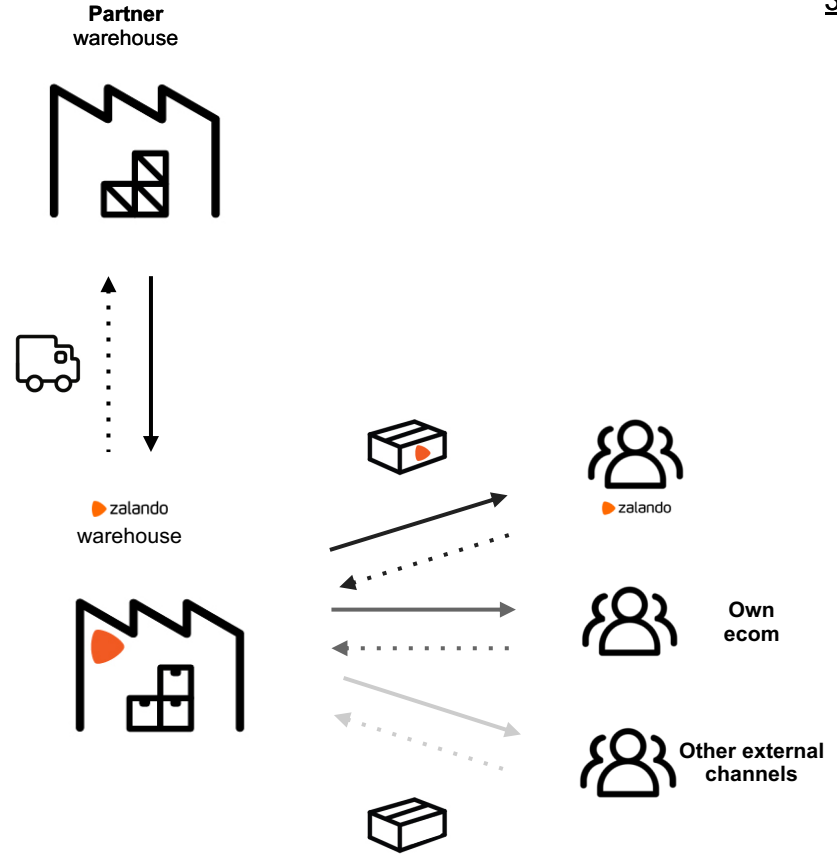


**Zalando Offprice**

# Multi-channel creates in-season stock flexibility

## Key benefits:

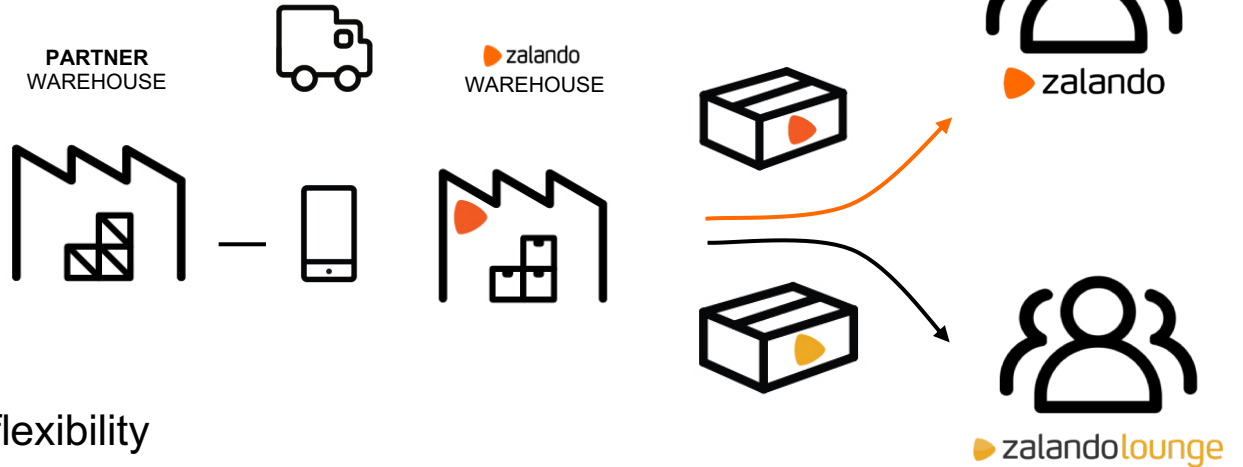
- Superior in-season inventory management
- Lower inventory risk
- **Never lose a sale**



# ZFS meets Zalando Offprice

## Key benefits:

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



31  
Pilot in Q4/19

Agreement

Go-Live date

Integration weeks

1

2

3

4

5

6

7

8

Brand readiness /  
operational onboarding



Article  
creation



Article mapping



Article  
onboarding /  
delivery



**Unlocking**  
**profitable growth**  
**in just 8 weeks**



**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!