



Case Study: S Group

S-Group and Naveo Commerce Partnership leads to a world-class on-demand experience



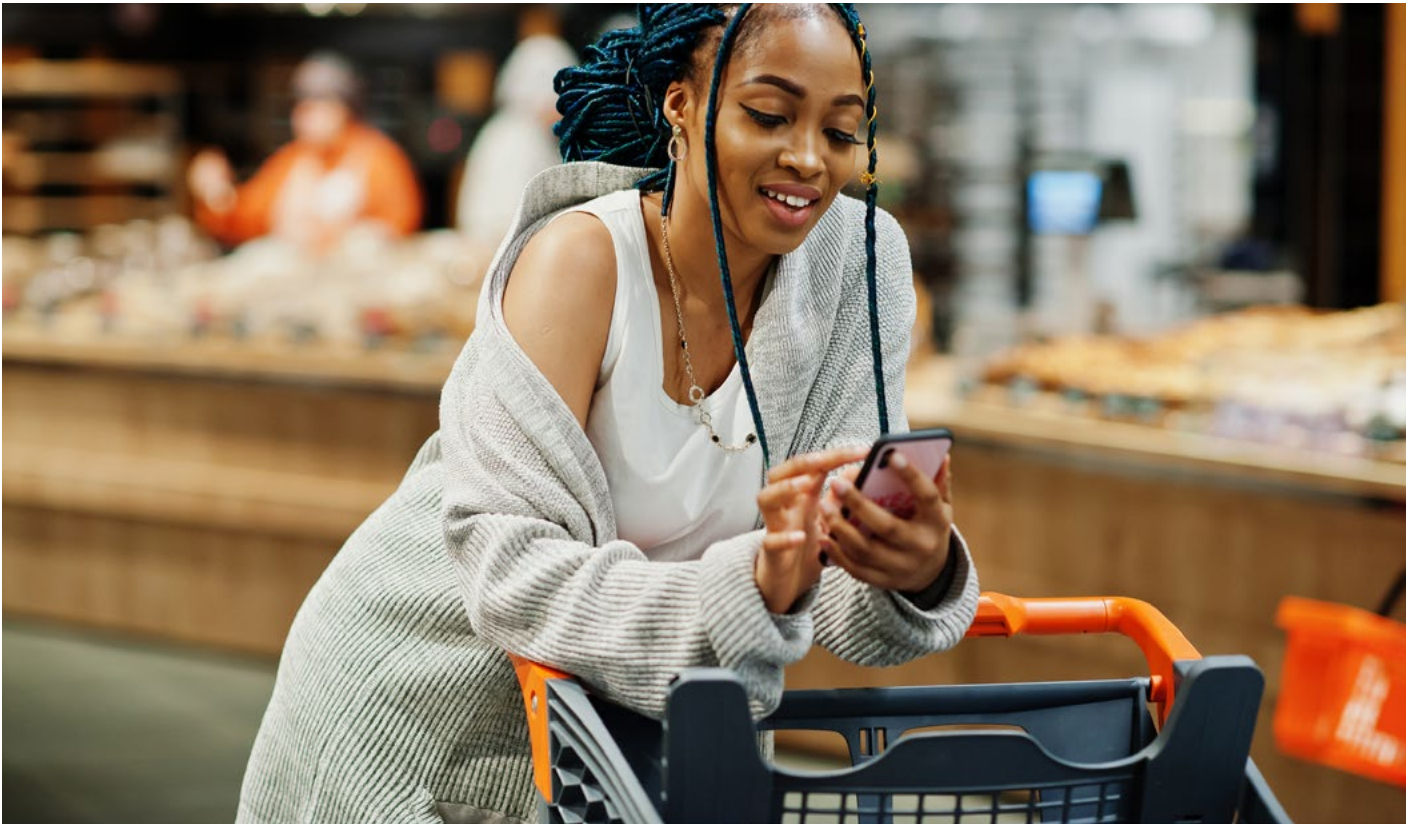
S Group

A world-class on-demand experience for S-Group

“S Group is a multibillion-dollar company where decisions and new ventures take their time. The operations are heavy and in large scale. Quick ideas are not born in that kind of environment and if they are, they’re not quickly implemented.

Naveo Commerce offered us the perfect opportunity to utilize the agility and innovation of an energetic start-up and carry it out under our own brand. All of a sudden we had the chance to launch a new kind of a mobile service that is unique on a global scale. Everyone involved quickly understood this was something that could dramatically help and simplify the everyday lives of our customers.”

Likka Alarotu
Senior Vice President



The Journey



Personalized shopping list mobile application



900

stores on the platform, full price



Grocery eCommerce for web and mobile with store fulfilment



Dark store for high-capacity picking and order fulfilment



In-store digital touchpoints to engage customers in-store

The Challenge

How to make the shift to digital, create value to on-demand shoppers while supporting and enhancing the journey of the brick-and-mortar customers.

- Multiple internal legacy systems not optimized for digital operations
- Traditional corporate structure not ideal for quick ventures
- Hundreds of stores with diverse assortments; hundreds of thousands of products
- No resources for on-demand service development

The Journey

With its revolutionary behavioral product recommendation engine, the Naveo shopping planner quickly became a hit. It provided customers recommendations of just the right products and recipes matched to their taste profile and shopping patterns. It also enabled them to add items of their favorite recipes effortlessly to the shopping list. This brought the everyday shopping experience of the brick-and-mortar customers to a new level while leveraging the new digital age where people use their phones for solving problems and to facilitate everyday tasks.

But this was only the beginning for S Group: the strategic partnership with Naveo Commerce continued, and S-Group was soon able to provide its mobile users with real-time product and price information from all of its stores with high-quality images of each product. The service was first of its kind in the world. Such transparency and accurate product information made shopping planning and comparing prices easy for S Group customers, increasing their loyalty and engagement.



The Results

500 000

active monthly users (10% of the country's population)

30%

increase of store sales on the best performing stores

50%

yearly increase in on-demand revenues

50%

rise in picking efficiency

56.9%

share of on-demand grocery sales in Finland

The service covers all S Group stores under four different banners consisting of convenience stores, super- and hypermarkets, available on the web and via iOS, Android and Windows native applications.

The next phase was the deployment of Naveo Commerce's eCommerce capabilities to selected S Group stores, leveraging both web and mobile touchpoints. Along with eCommerce operations, S Group launched delivery and Click & Collect services in most major cities in Finland. Finally, to increase its capacity in 2014, S Group opened Finland's first dark store to serve the growing customer base, specifically catering to home deliveries. The dark store runs on Naveo Commerce's highly optimized order management software and has enabled S Group to reach picking efficiencies of up to 200 items per hour.

The latest additions to our collaboration are the new in-store touchpoints running on digital kiosks to enable true connected commerce. The touchpoints offer S Group the ability to provide their customers an 'endless aisle', expanding the store inventory. Orders placed through the kiosk can be delivered directly to customers from the retailer's or supplier's warehouses.

The Results

The results of the co-operation have been substantial in every aspect. Deploying Naveo's fulfillment solution has enabled a rise of 50% in S Group's picking efficiency. The Foodie.fi service now has more than 1.5 million registered web and mobile users of which 500 000 are active monthly. The average price of their eGrocery basket is 2-3 times bigger compared to brick-and-mortar. S Group's on-demand sales have seen a yearly rise of 50% and the best performing stores have increased their overall sales by 30%. S Group dominates the on-demand grocery sales in Finland with a 56,9% market share.

“The Naveo Commerce application has found its way to every Finn's pocket as their trusted shopping app. We are constantly improving and adding to the service in close collaboration with Naveo Commerce, the key focus being on improving the customer's shopping experience.”

Ilkka Alarotu
Senior Vice President of SOK



Facts

- 900 S Group stores on the platform
- 1.5 million registered users
- 100 000+ products with accurate price information, product data and high-quality pictures on web and mobile
- Fulfillment from 20 stores
- 20 Click & Collect pick-up-points
- 8 stores offering home delivery
- Average basket size 120€

Additional Services We Offer S Group

- Strategic Planning
- Technical Consultation
- Content Creation & -Management
- Data Monitoring & Enrichment
- 6AM-6PM STORE Store Manager Phone Support
- 24/7 Store Manager Online Support
- Once-a-Week Brainstorming Meetings
- Online Marketing Planning

“We have reached the point where creating a dark store substantially improves the picking efficiency, logistics and quality of operations. The dark store is located close to an existing store giving us great synergy with the existing structures, logistics, flow of goods and staff without significant investments. Naveo’s solution supports seamless transformation from store based fulfillment to more optimized dark store operation.”

Jukka Tanua

eCommerce Development Manager for HOK-Elanto

About Naveo Commerce

The Perfect End to End eCommerce Partner

For retailers – big and small – for whom success depends on growing online, we provide the perfect End to End platform: a cloud-based SaaS solution, with Headless commerce engine, OMS and Fulfilment technology. The solution is ideal for retail, SMB's and Enterprise across all vertical markets.

Since the beginning we had a dream – it was simple – to make buying online as smooth and easy as possible. Digital Goodie was founded by a group of friends and entrepreneurs back in 2009. Ten years on and Digital Goodie acquired Maginus in 2019. In September 2020, the two products combined and Naveo Commerce was born! Our partnership with Magento and Episerver continues as a core consulting arm under Maginus, a Naveo Commerce brand.

Naveo Commerce is venture-backed by the US based eCommerce growth fund Black Dragon Capital. Today we employ retail industry experts and technology specialists in two different continents across three locations.

We work closely with our customers to help them realise their potential online growth through connected commerce.

The Naveo Commerce platform has won awards for the best user experience in 2015, best online store of the year in 2013, and comet of the year in 2012. Our proprietary recommendation technology is praised by IGD Retail Analysts. What's more, we are listed alongside leading applications in the Gartner Digital Commerce Vendor Guide and eConsultancy's Top 100 Digital Agencies Guide – both for two years in a row.

The Naveo Connected Commerce solution is based upon a flexible, scalable micro-services based architecture using multiple AWS services covering compute, storage and databases to provide an agile, secure and scalable platform.



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