



DROPSHIP
C O M M E R C E

Connecting the Endless Aisle to the Virtual Supply Chain

Todd Rankin (VP Marketing, DropShip Commerce), Eric Chaffee (VP Product, DropShip Commerce) & Nikki Baird, (Managing Partner, Retail Systems Research)

Today's Presenters

Introduction:

- Todd Rankin, VP Marketing, DropShip Commerce

Market Problem:

- Nikki Baird, Managing Partner, Retail Systems Research

Drop Ship Challenges & Magento:

- Eric Chaffee, VP Product, DropShip Commerce

What Is RSR?

- Market Intelligence, focused on retail
 - Context: the business challenges & opportunities that drive technology investments
 - Pragmatic insights
 - Powered by extensive retail experience
 - Fueled by a deep bed of research data
-
- We help retailers keep their IT strategies aligned with corporate objectives
 - We help solution providers align their products and messages with retailers' needs



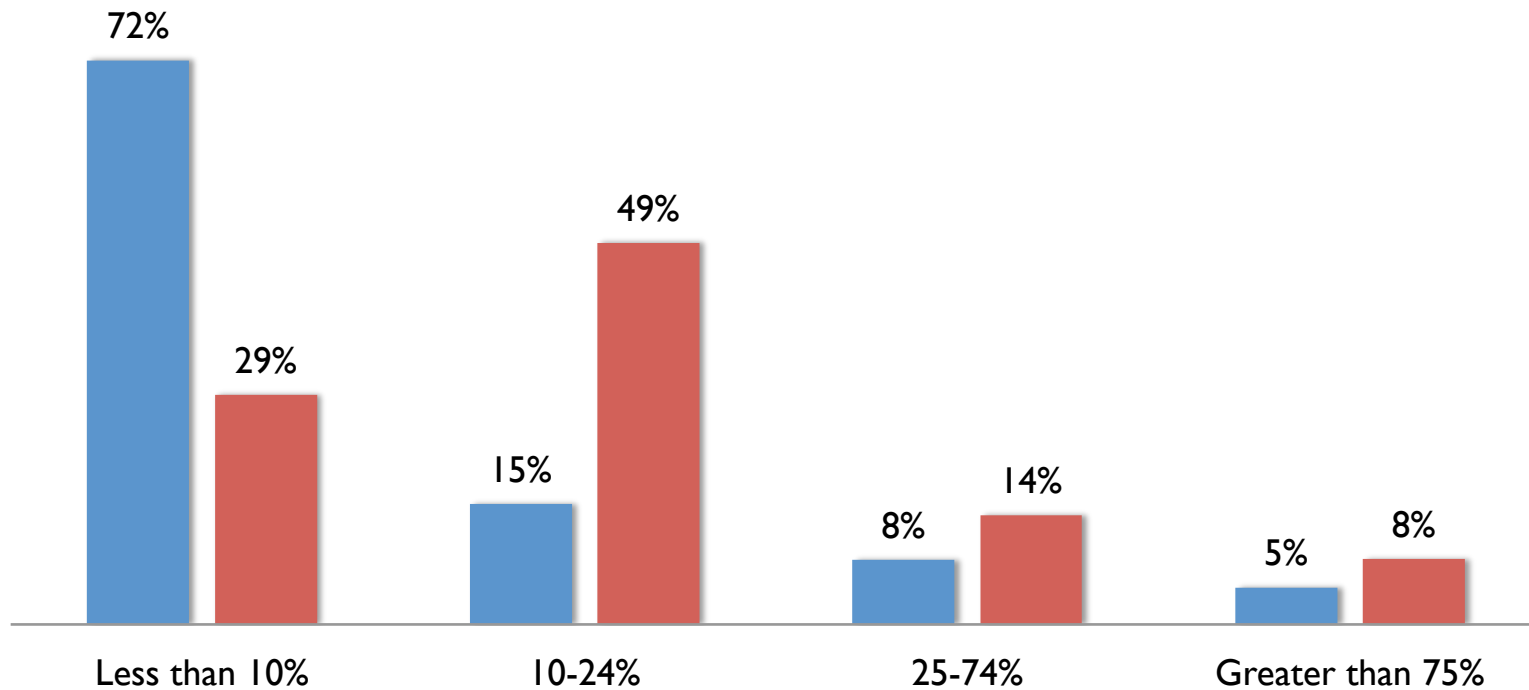
My Role Today: Context

- The Gold Rush days of digital channels are nearly over
- Retailers are getting down to the hard parts of execution
- But they're ignoring a big opportunity related to endless aisle
- Visibility is a solution that solves lots of problems, and its time has come

Retailers Expect Digital Commerce to Continue to Grow

Digital Channel Growth

■ Today ■ In 3 Years

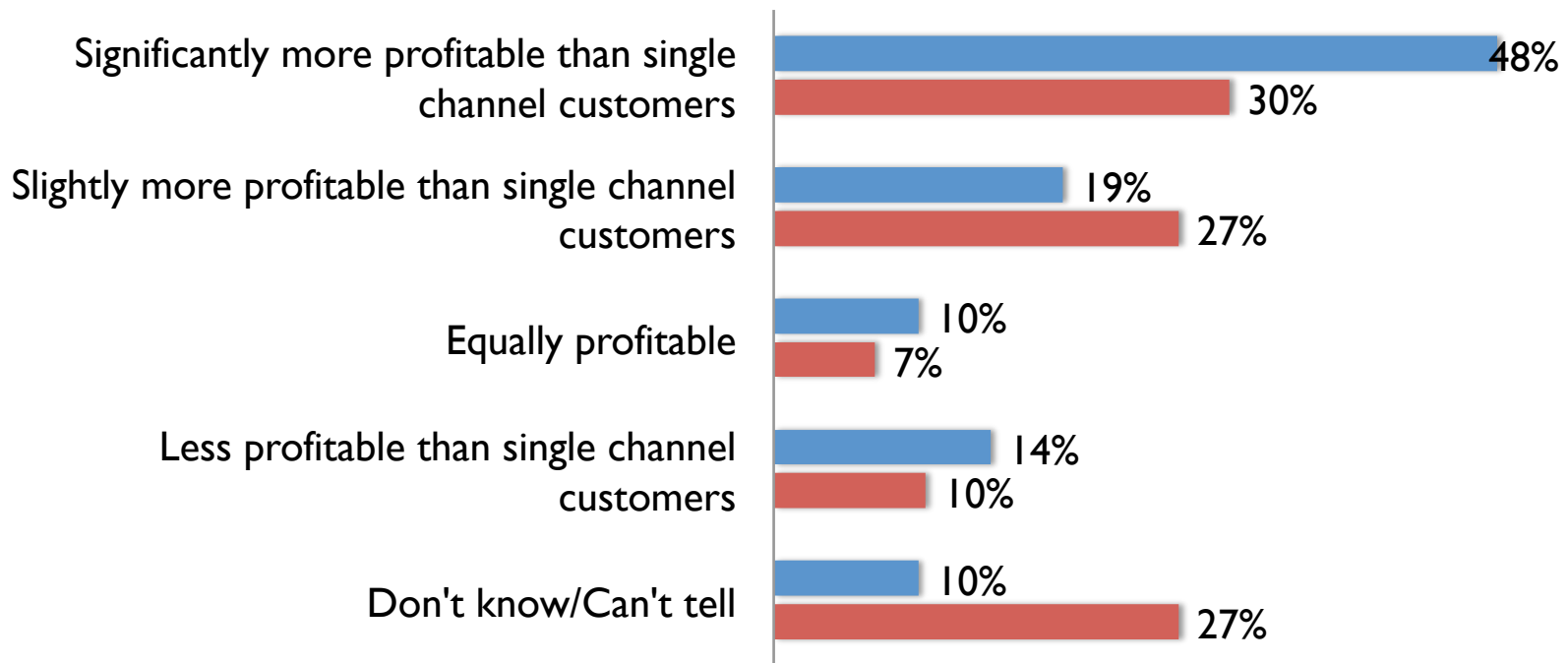


Source: Survey "The Multi-Channel Retailer's Reality in a Post-Amazon World", RSR Research, November 2012

The Opportunities Are Still Significant

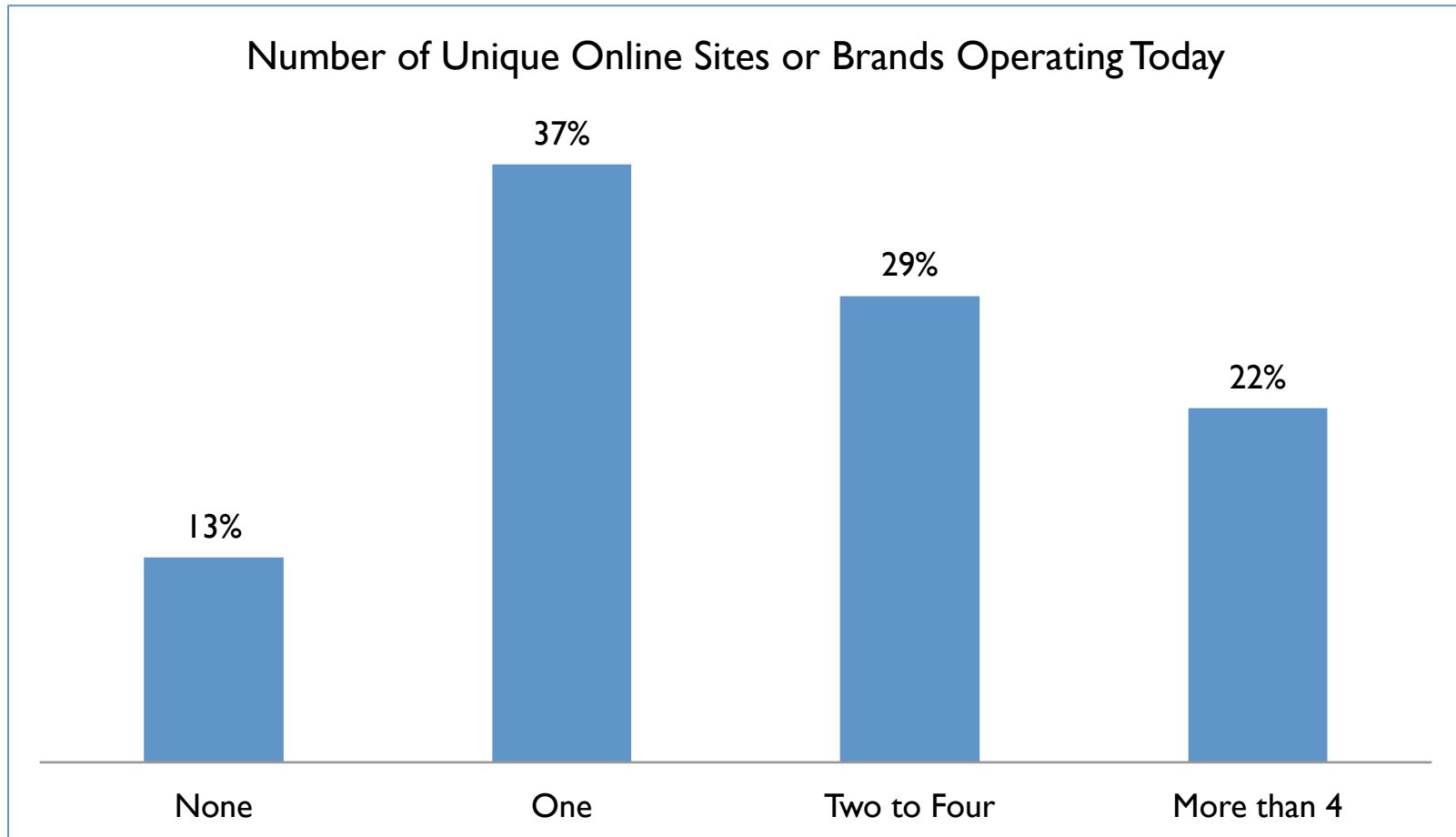
Cross-Channel Shoppers Are...

■ Winners ■ Others



Source: "Omni-Channel 2012: Cross-Channel Comes of Age", RSR Research, June 2012

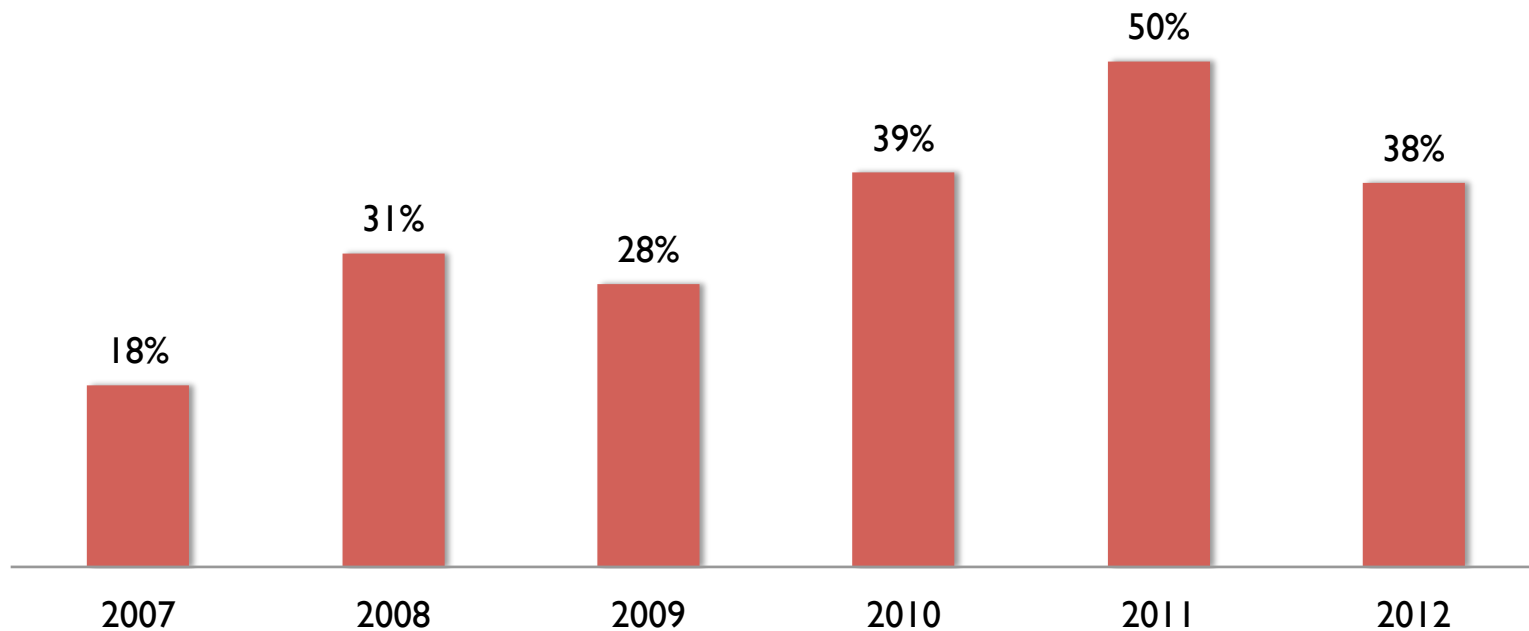
For Every Kind of Retailer



Source: "The Multi-Channel Retailer's Reality in a Post-Amazon World", RSR Research, November 2012

But More Difficult to Get

**Cross-Channel Shoppers Are
"Significantly More Profitable than Single Channel
Shoppers"**

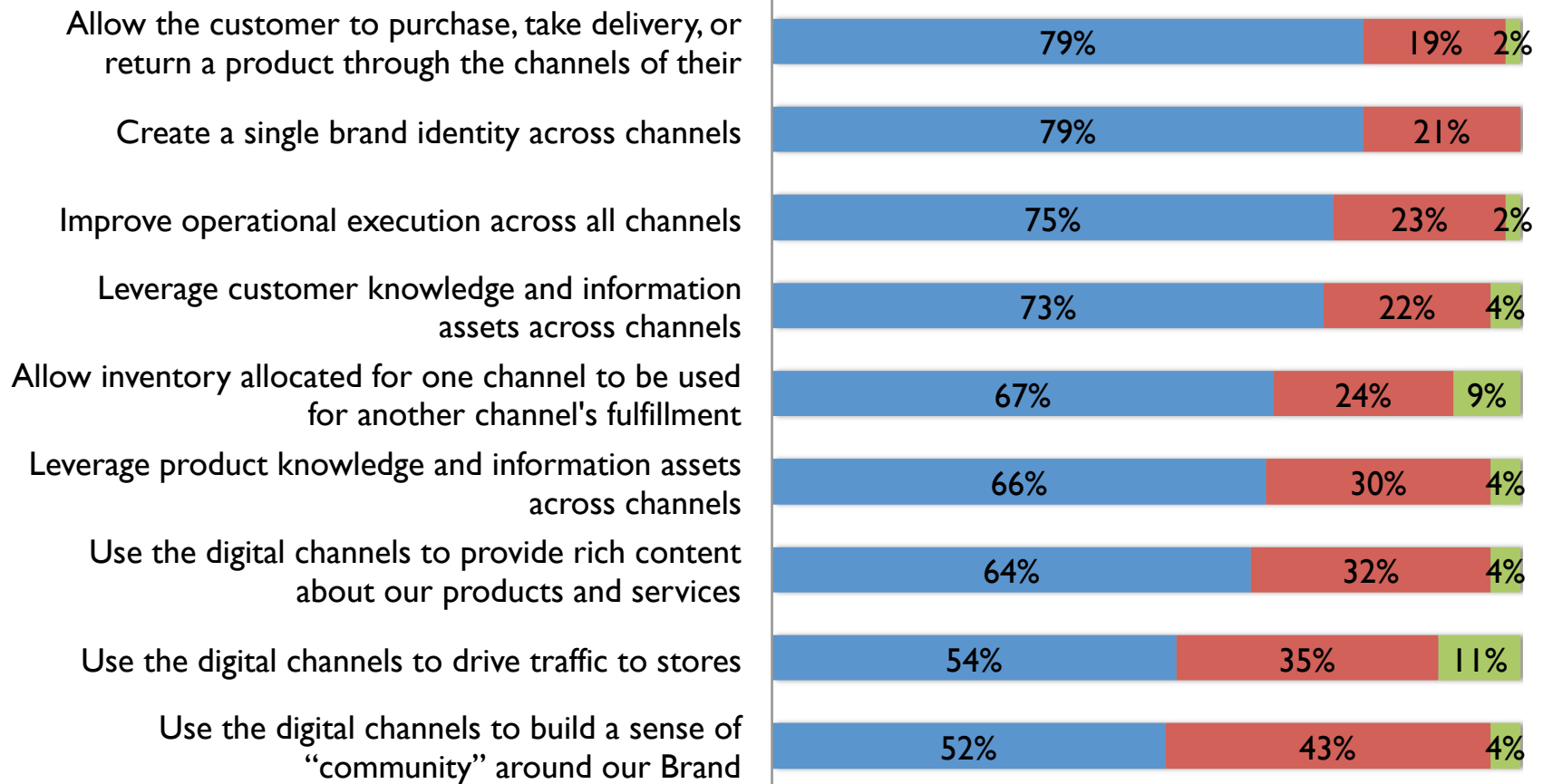


Source: "Omni-Channel 2012: Cross-Channel Comes of Age", RSR Research, June 2012

Focus Shifts From Brand Promise to Execution

Cross-Channel Opportunities

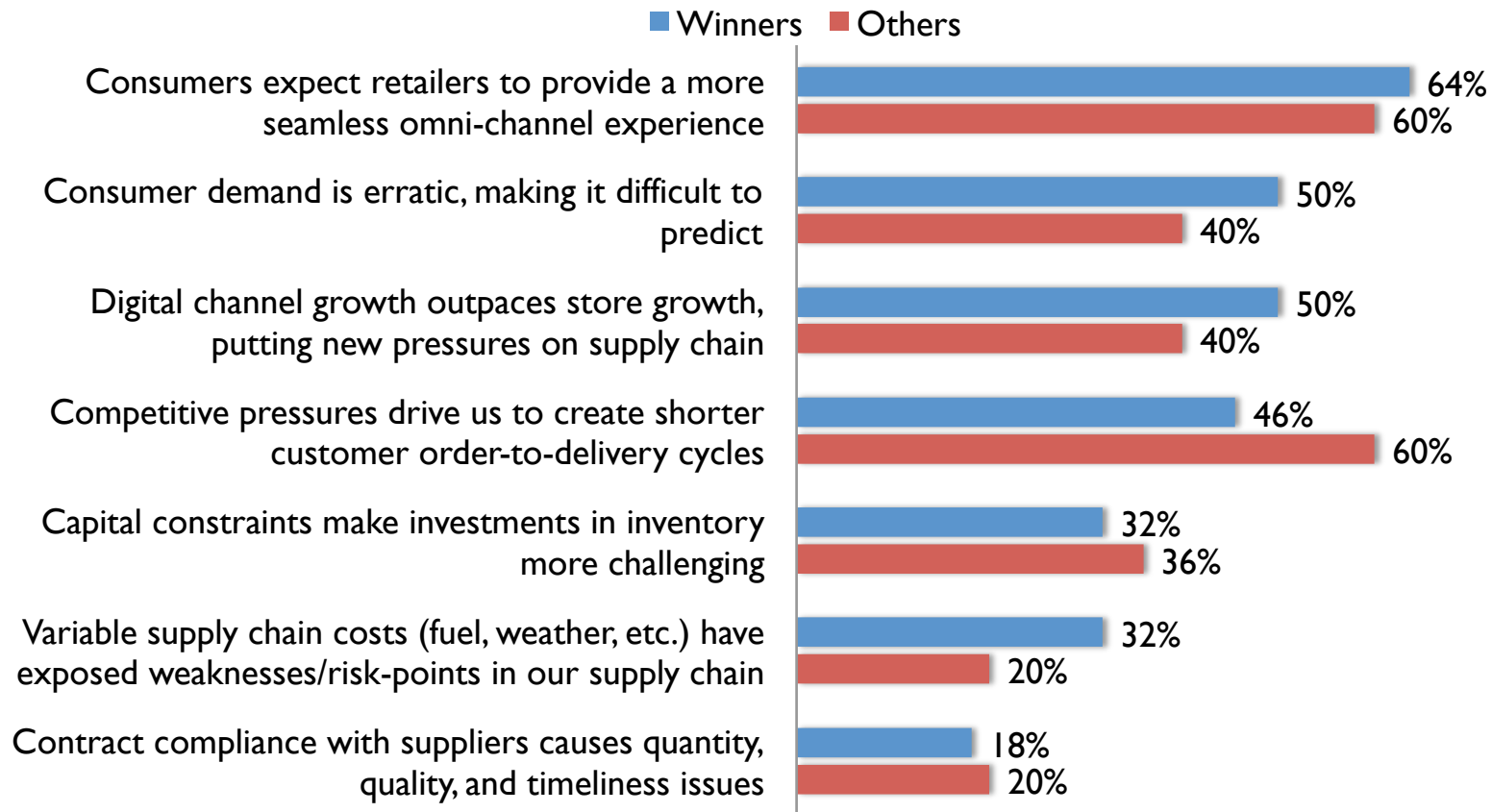
■ Very Important ■ Some Importance ■ Little or No Importance



Source: "Omni-Channel 2012: Cross-Channel Comes of Age", RSR Research, June 2012

Retailers Know Customer Expectations Only Rise

Top 3 Supply Chain Execution Business Challenges

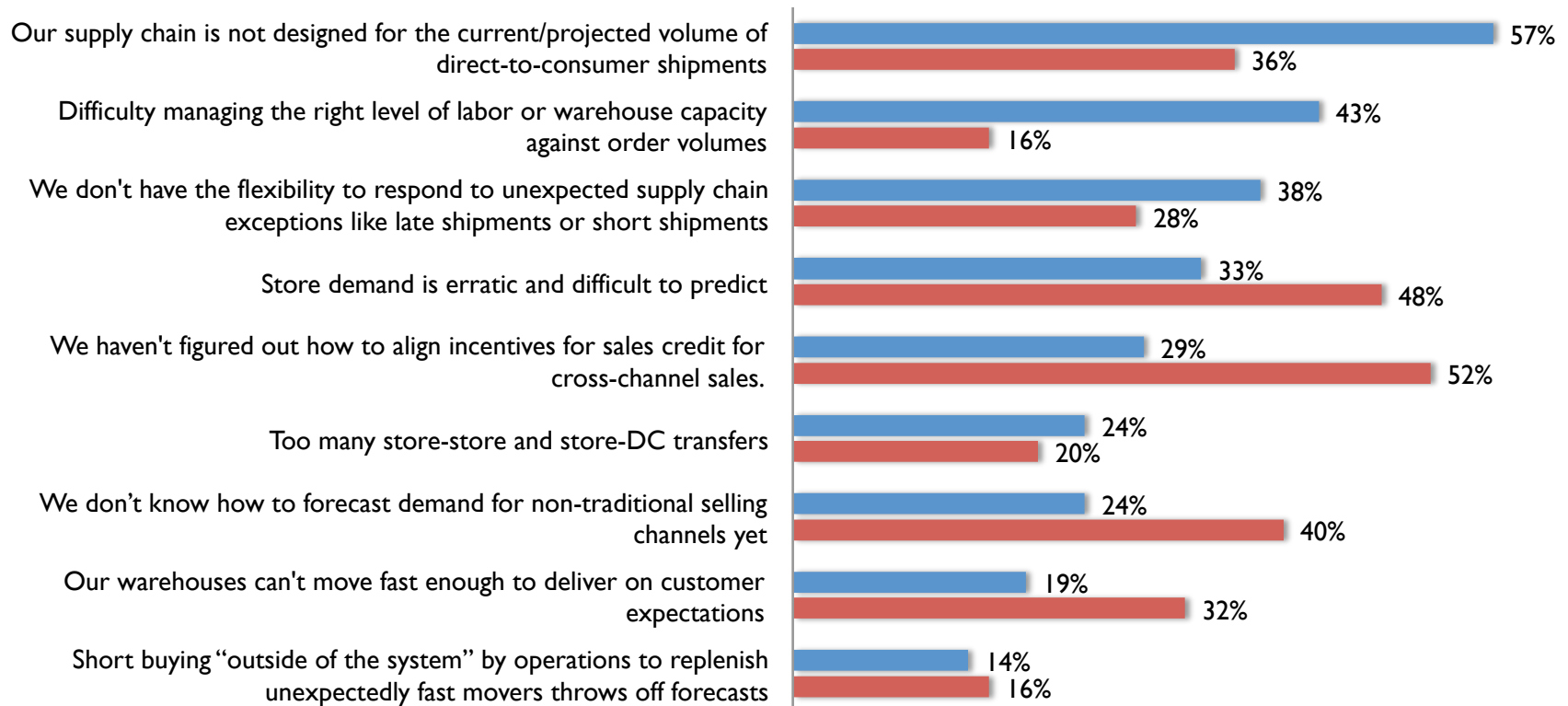


Source: "Executing on the Promise: Retail Fulfillment 2012", RSR Research, July 2012

Supply Chain is Running Out of Runway

Top 3 Supply Chain Execution Operational Challenges

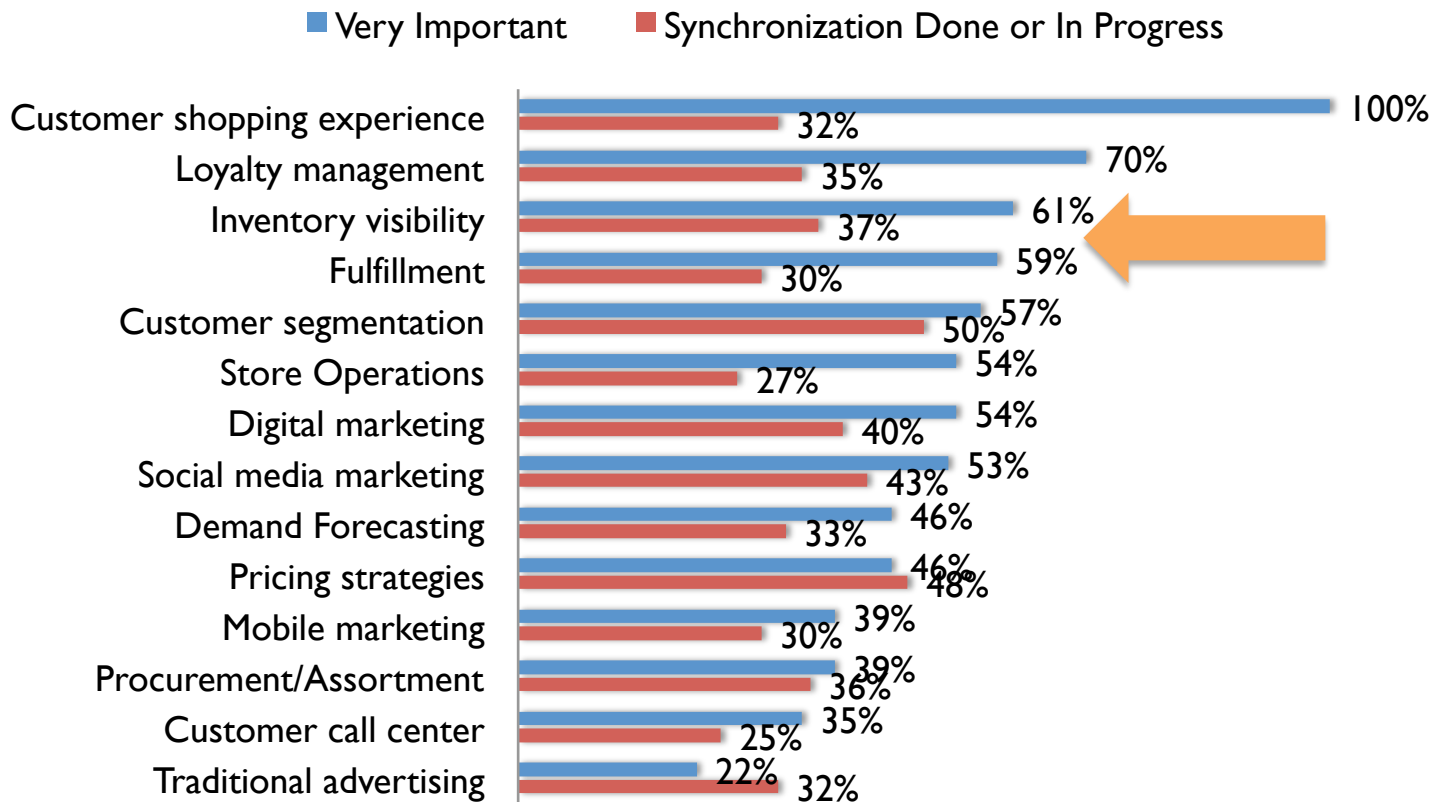
■ Winners ■ Others



Source: "Executing on the Promise: Retail Fulfillment 2012", RSR Research, July 2012

Inventory & Fulfillment Remain Sticking Points

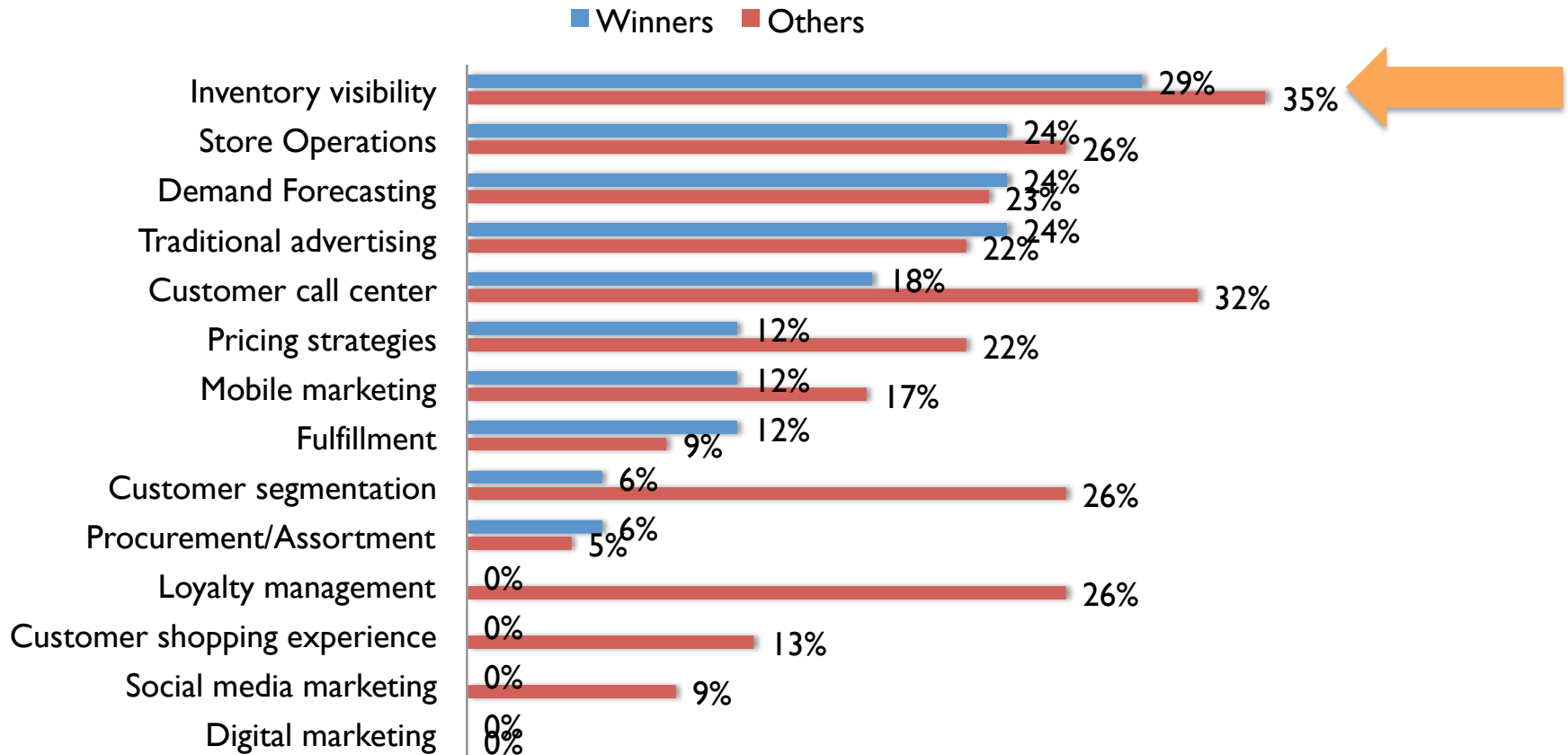
Cross-Channel Process Consolidation Importance vs. Progress



Source: "Omni-Channel 2012: Cross-Channel Comes of Age", RSR Research, June 2012

Visibility – The Hardest

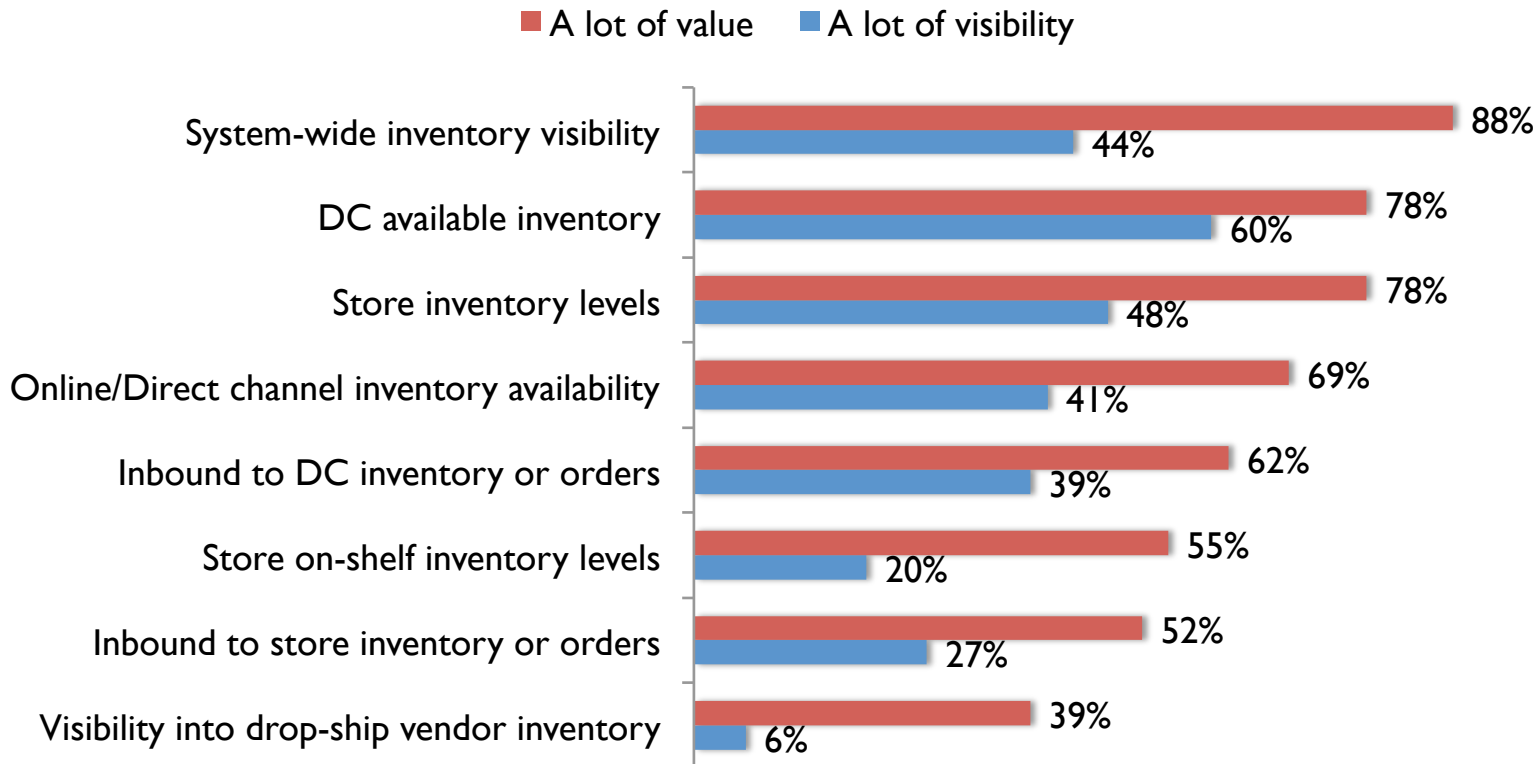
Cross-Channel Process Consolidation "No Plans"



Source: "Omni-Channel 2012: Cross-Channel Comes of Age", RSR Research, June 2012

Retailers Can't See Very Far

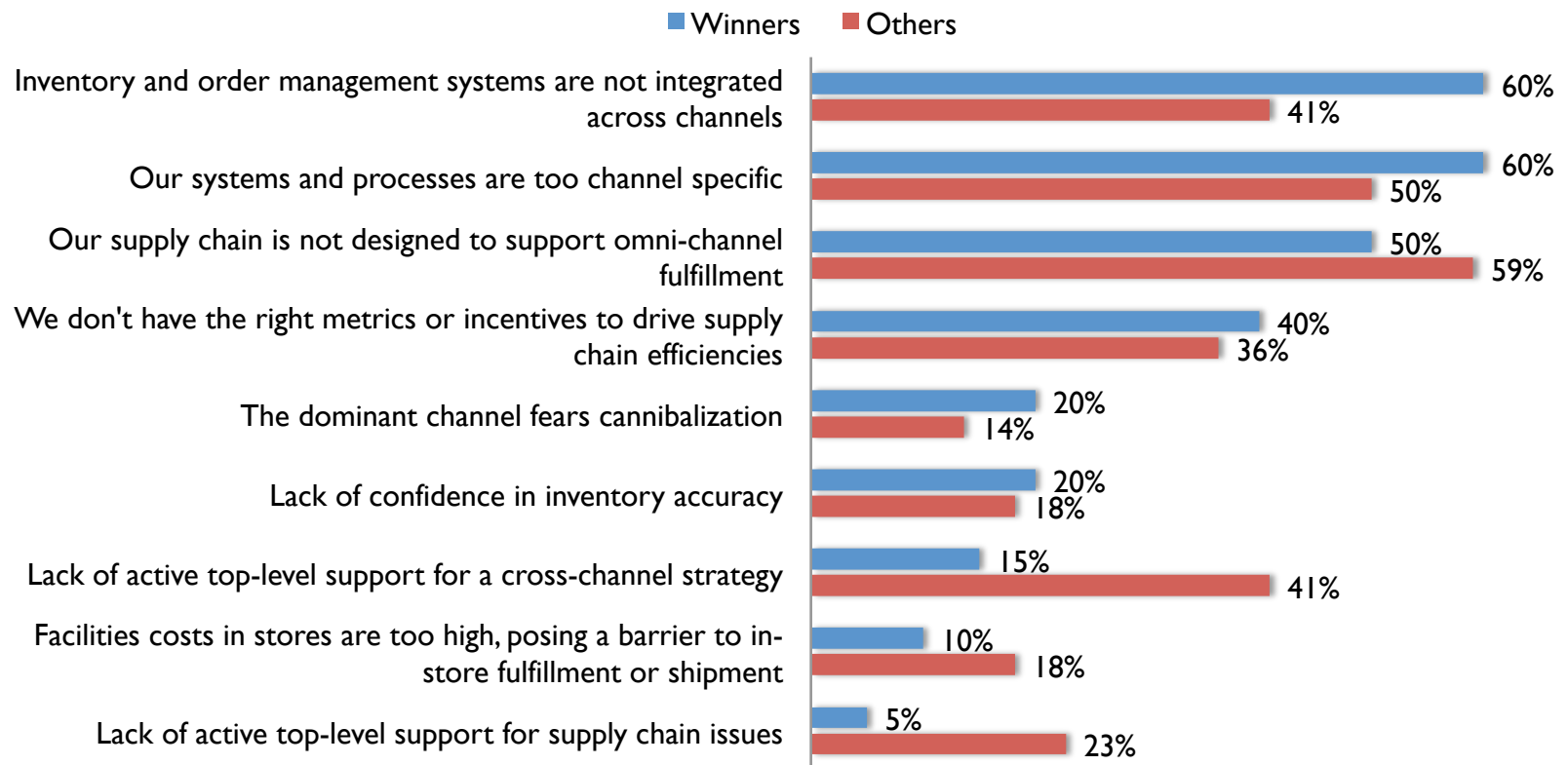
Inventory Visibility: Value vs. Actual



Source: "Executing on the Promise: Retail Fulfillment 2012", RSR Research, July 2012

Fixing Internal Systems is a Long Road

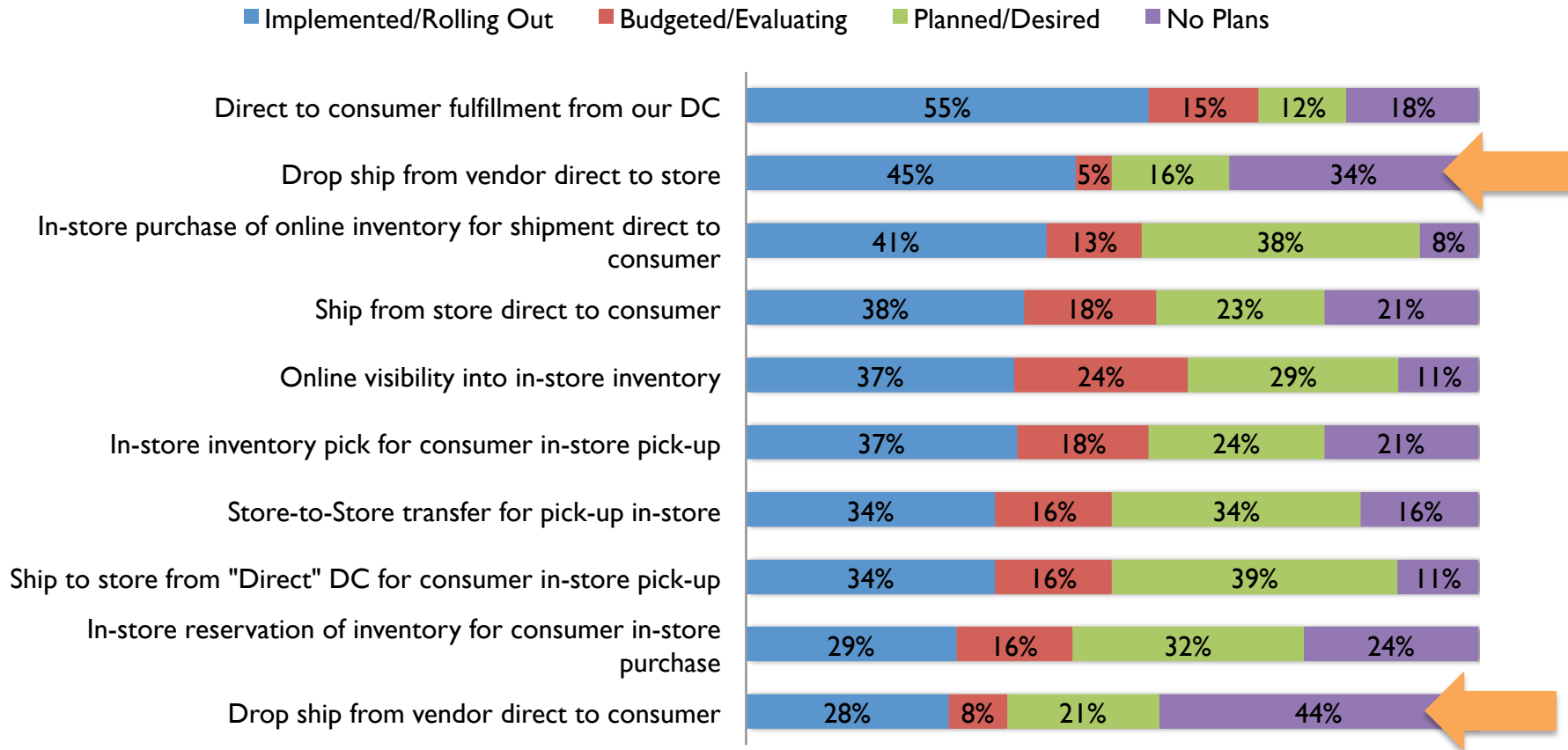
Top 3 Supply Chain Execution Organizational Inhibitors



Source: "Executing on the Promise: Retail Fulfillment 2012", RSR Research, July 2012

Why Isn't Drop Ship on the List?

Current Fulfillment Capabilities



Source: "Executing on the Promise: Retail Fulfillment 2012", RSR Research, July 2012

Ask Yourself These Questions

- What is my growth strategy for my online channels?
 - More customers?
 - More from existing customers?
 - More assortment?
- What visibility does my company have today?
- When was the last time my company explored virtual inventory?
- How many of my suppliers have “gone direct”?
- What percent of my suppliers’ inventory do I carry on my site?

TURNING YOUR MAGENTO STORE INTO AN ENDLESS AISLE

What do you need?

1. Lots of Products
2. Which means lots of vendors
3. Which turn into a lot of orders
4. Which turn into a lot customers

And do it all with out it costing you lots
of time and money ...

How do you plan on ...



- **Getting Products into your Magento store?**
 - What file types will you accept
 - What data do you want
 - Do you want to put everything on or just some things
- **Getting orders to your vendors?**
 - Can you take a Magento order from multiple vendors and break them up into individual vendor orders?
 - Can you get up to date status on those orders for your customers

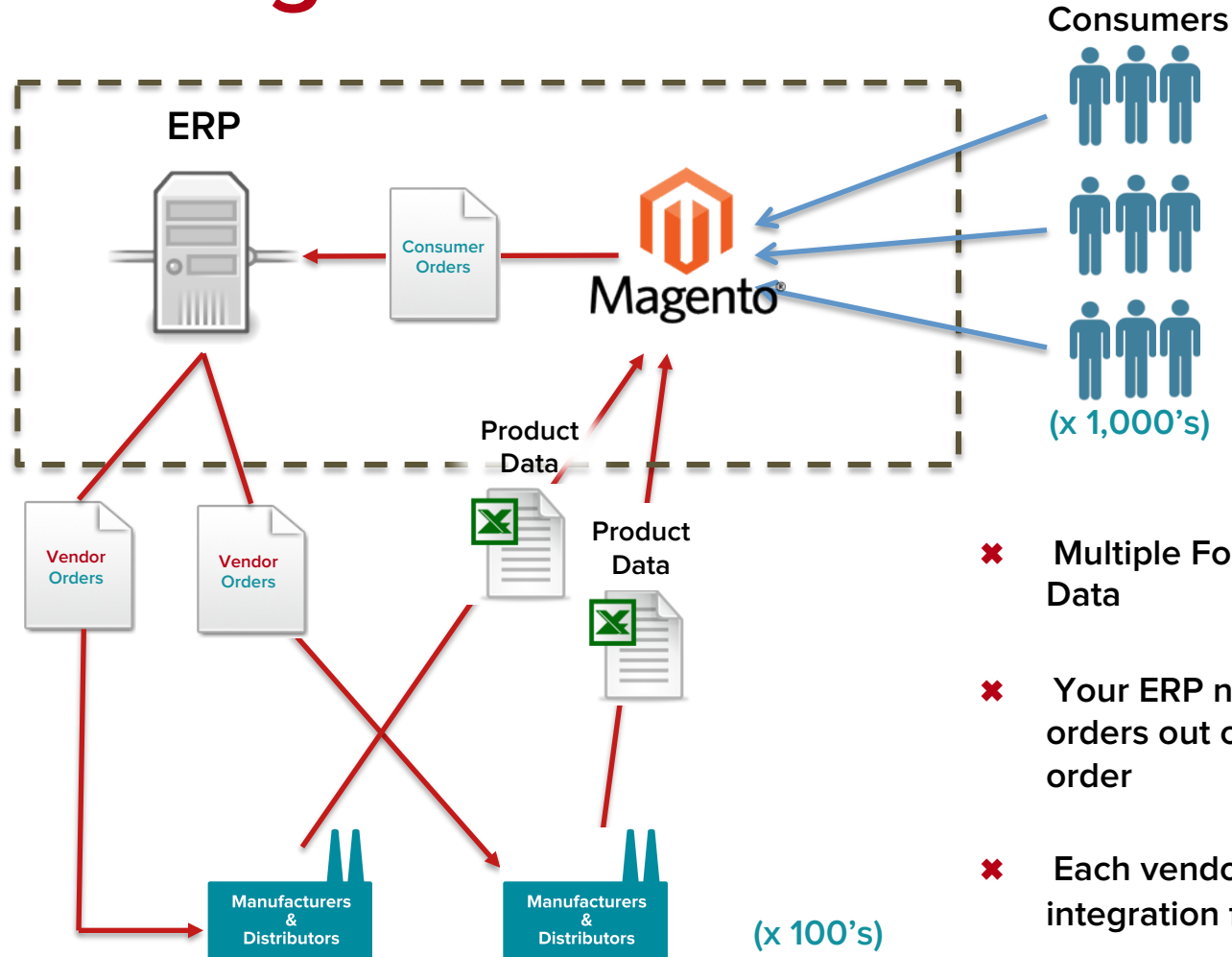
You need to be able to do ...

- These tasks **prior** to exchanging data with your trading partners:
 1. Create the requirements and business processes you want your vendor community to follow
 2. Publish your Trading Partner Specifications with required and optional fields
 3. Determine the vendor setup process

- These tasks **concurrently** with the vendor on-boarding process
 1. Determine which systems need data for drop shipping
 2. Develop the Integration points between Magento, your ERP and your vendors
 3. Automate the integrations

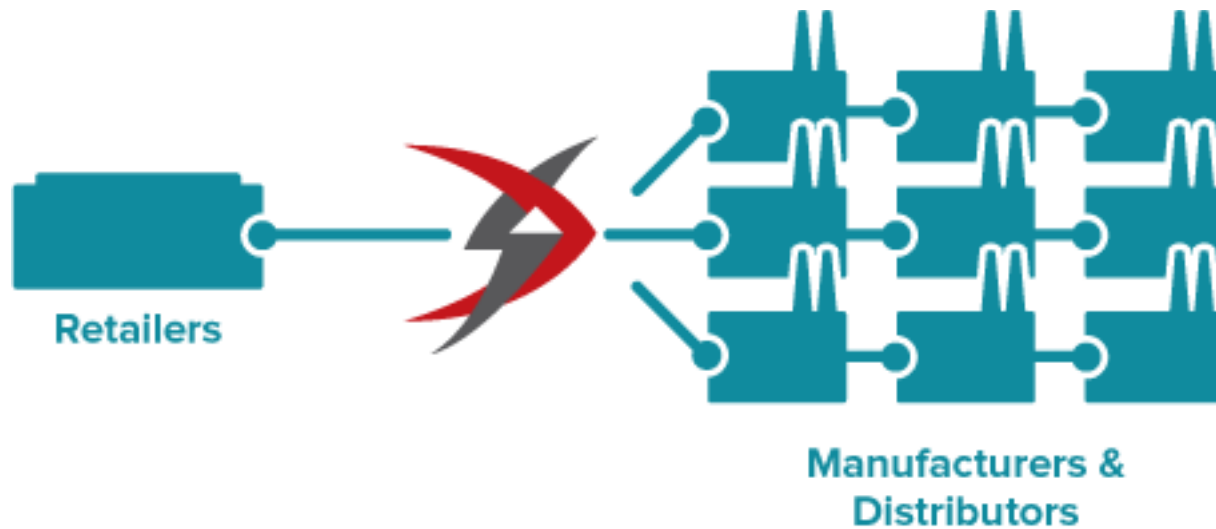


Typical Drop Shipping Integration Challenges



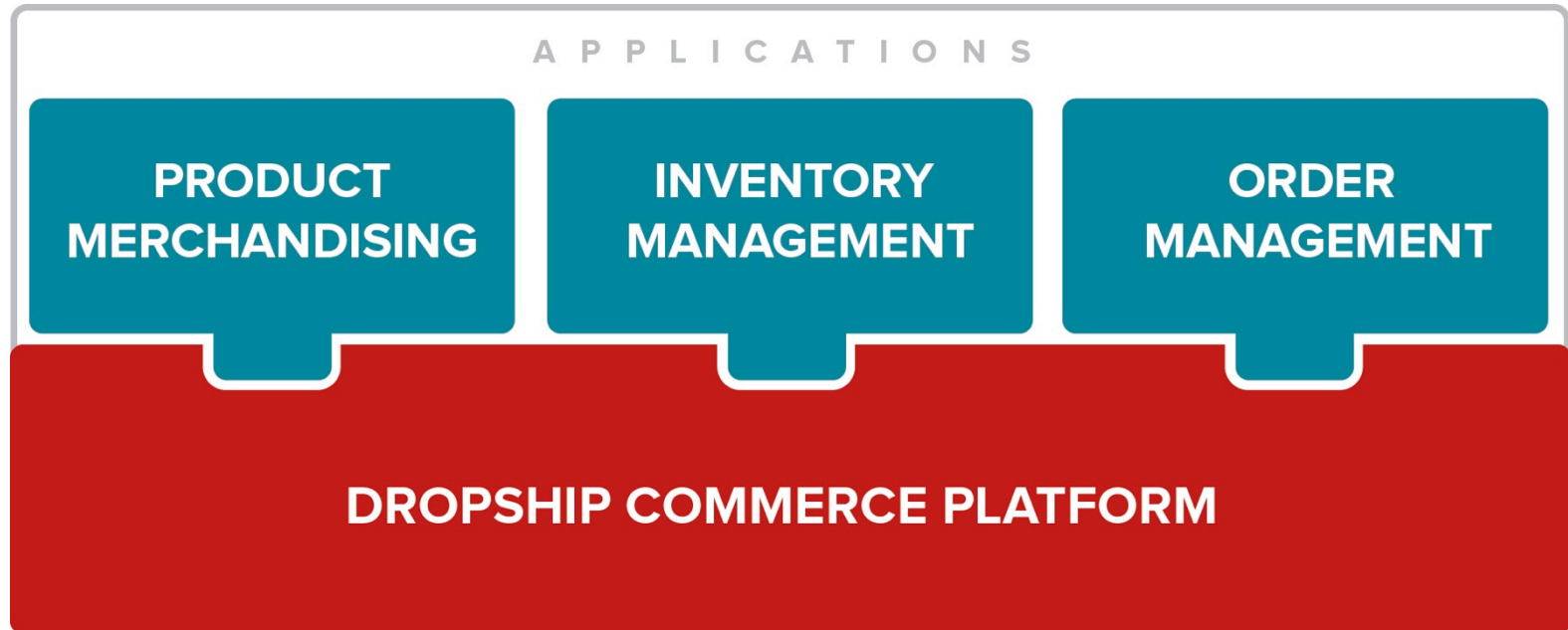
- ✘ Multiple Formats for Product Data
- ✘ Your ERP needs to create vendor orders out of a consumer/retailer order
- ✘ Each vendor is a unique integration for each document

Introducing DropShip Commerce



Dropship Commerce is the **scalable online platform** for integrating and managing drop ship partners, inventory, data, and orders. By handling the exchange of data through a single connection and integration point, Dropship Commerce helps trading partners **streamline operations, generate more sales, and fulfill more orders** using the virtual supply chain.

DropShip Commerce Product



Robust User Interface

The screenshot displays the Retailers Incorporated web application interface. At the top, the logo for Retailers Incorporated is visible, along with a navigation bar containing links for Products, Product Lists, Orders, Vendors, Integration, Account, and Cart. The Cart shows 1 item for \$150.00. A search bar is located on the left side of the page. The main content area is titled "Emitations" and shows a list of jewelry items. The items are displayed in a grid format, each with a product image, title, SKU, quantity, and price. The items listed are:

- Addison's Fancy Necklace - Fake Emerald (SKU: Z13-5161GR, Quantity: 12, Price: \$150.00)
- Alka's Fancy Rhinestone Clip On Earrings - Red (SKU: X87-033135R, Quantity: 12, Price: \$14.50)
- Annora's Red Corundum CZ Heart Necklace (SKU: Z13-8N114RC, Quantity: 12, Price: \$180.00)
- Addison's Fancy Necklace - Fake Ruby (SKU: Z13-5161RC, Quantity: 12, Price: \$150.00)
- Adelaide's Oval & Pear Cut Fancy CZ Necklace (SKU: X105-SMC-2597, Quantity: 12)
- Adrienne's Gold Charm Necklace - Wisdom (SKU: X13-42210GP, Quantity: 12)
- All's Mustache Necklace (SKU: X02-5407Z-RP, Quantity: 12)
- Anca's Marquise And Pear Cut Fancy CZ Necklace (SKU: Z13-40028, Quantity: 12)

The interface also includes a sidebar with navigation options like Product Lists, Vendors, and Categories, and a top navigation bar with links for Support and Logout.

Provides:

100% Open Standard based

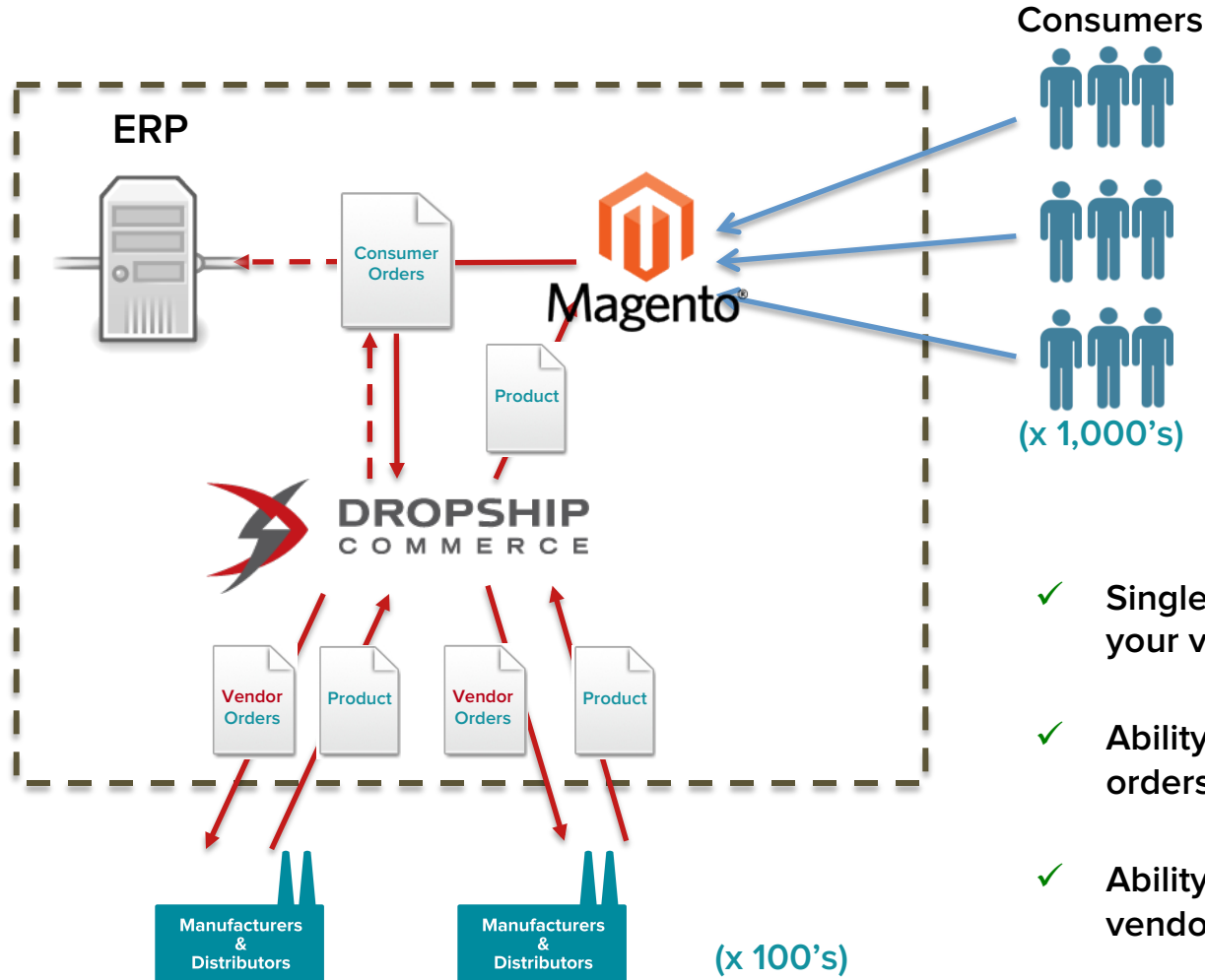
SaaS - No Hardware or Software required

A single place to aggregate, normalize and filter vendor product information.

Visibility to the entire drop ship order lifecycle

Get up to the minute view of your inventory-less supply chain

Drop Shipping Simplified



- ✓ Single integration point to your vendors and Magento
- ✓ Ability to split consumer orders into vendor orders
- ✓ Ability to support multiple vendor formats

GETTING STARTED

Magento Extension

- Connector Overview
- On Connect Marketplace Today
- Sign Up with Us First

Set Up Process

- Easy to get set up
- Month to Month SaaS subscription
- To get started:
 - sales@dropship.com
- Webinar on Magento & QuickBook Extensions
 - March 27th
 - Visit www.dropship.com to sign up

Thank You

Questions & Answers

For additional information:

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