E-TIC 4.0 @ SGS

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BACKGROUND

THE ECONOMY IS GOING DIGITAL, AND…

e-Commerce Growth

- **+20%** in e-Commerce sale in EU for 2014,

- **+70%** in B2C commerce in China.

- Traditional CTS clients are under pressure.

Early stage of regulatory drive on digitalization and e-Commerce is observed

- EU initiative on **consumer rights** and **data protection**

- Mostly national and regional but lacking **global** framework

- Stakeholders are held more **accountable legally and socially**

Sharing economy emerges in e-Commerce world.

- **Technology** enables customer to access multiple data sources and become an actor
- Products, services and social network are **intertwined**
- **25%** of US and UK citizens actively engaged in sharing economy
- **69%** of respondents to a PwC survey base **trust in peer referral**

Massive amount of data, information and reviews available on the web for products, services, suppliers, brands etc, used as reference for buying decision

THE ECONOMY IS GOING DIGITAL, BUT...

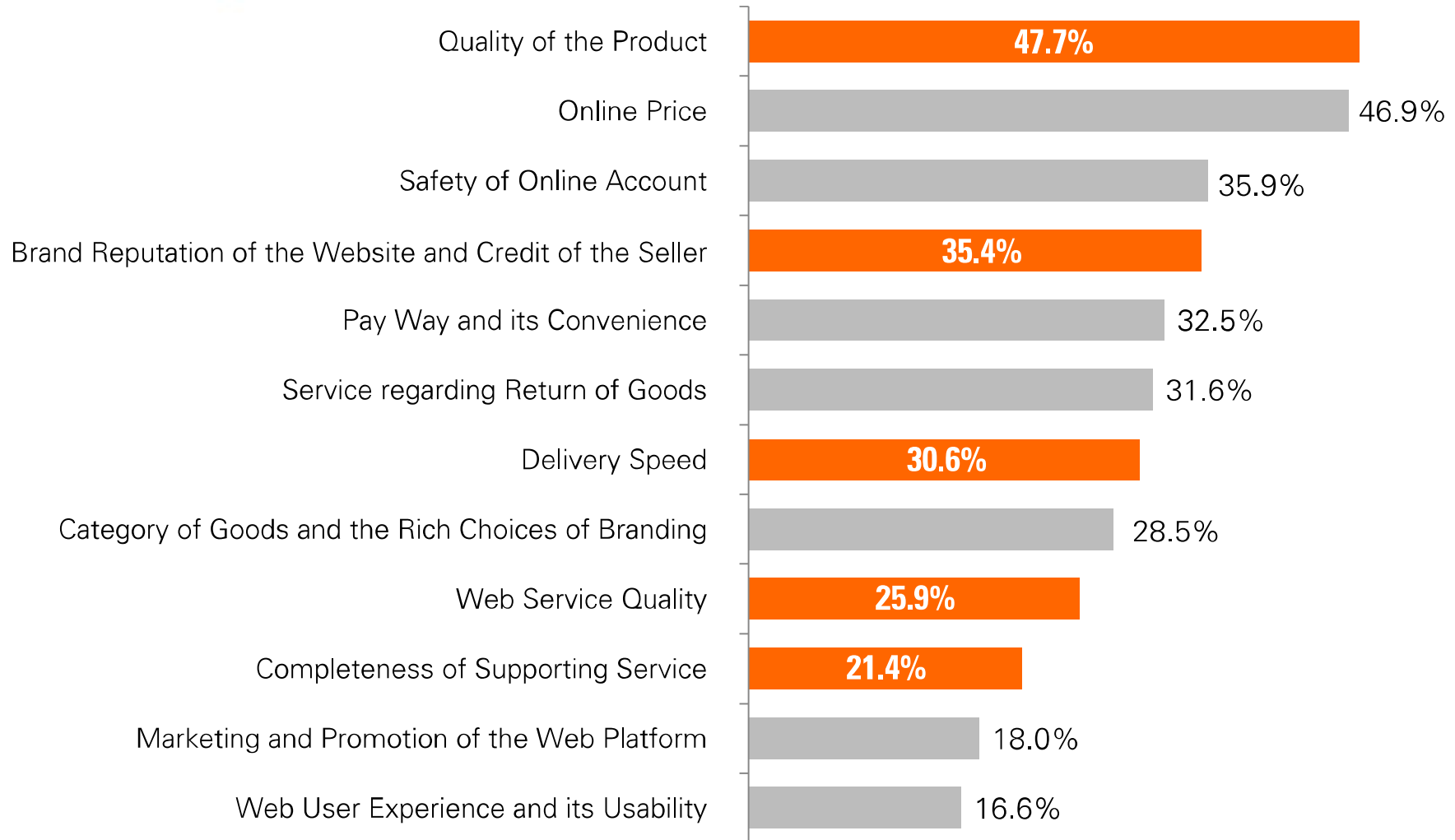## *Lacking authenticity assurance* of product and supplier

- Up to 1 in 6 products sold on line are counterfeit with geographical and product **variances**

- **Accusations** against portals by governments & global brands
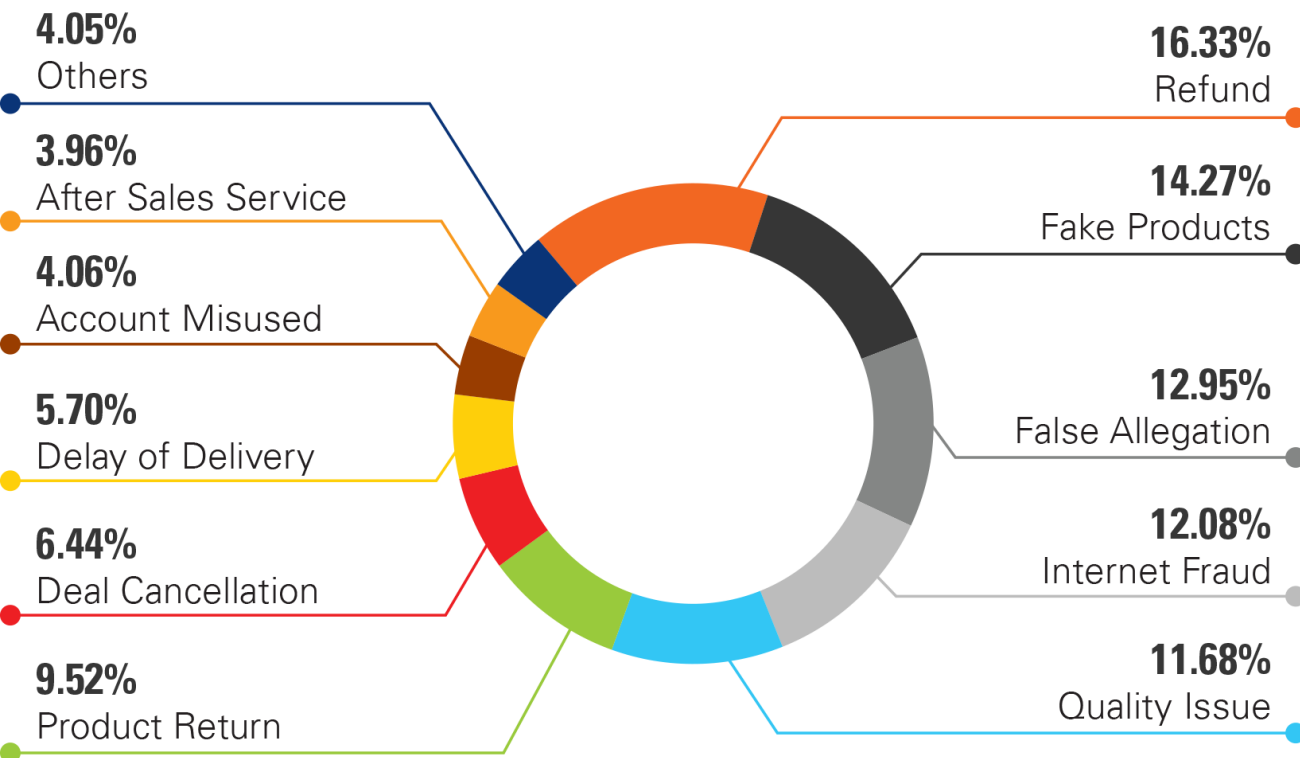
Data and information integrity is questionable

- **Internet of things** and ever increasing **distribution of data**

- **Reliability** of the data, information, commentary etc

- Privacy protection

- Consumer looks for ever more information **quantity & quality** to generate trust

Trust becomes the main currency of e-Commerce

- Reputation

- **Peer** review

- Influencer endorsement

- Independent, verified, certified **source data and information**

FACTORS DRIVING ONLINE SHOPPING

Factor	Percentage
Quality of the Product	47.7%
Online Price	46.9%
Safety of Online Account	35.9%
Brand Reputation of the Website and Credit of the Seller	35.4%
Pay Way and its Convenience	32.5%
Service regarding Return of Goods	31.6%
Delivery Speed	30.6%
Category of Goods and the Rich Choices of Branding	28.5%
Web Service Quality	25.9%
Completeness of Supporting Service	21.4%
Marketing and Promotion of the Web Platform	18.0%
Web User Experience and its Usability	16.6%

(2014 China)

TOP 10 COMPLAINTS OF ON LINE SHOPPING

4.05%
Others

3.96%
After Sales Service

4.06%
Account Misused

5.70%
Delay of Delivery

6.44%
Deal Cancellation

9.52%
Product Return

16.33%
Refund

14.27%
Fake Products

12.95%
False Allegation

12.08%
Internet Fraud

11.68%
Quality Issue

Complaints	%
Refund	16.33%
Fake Products	**14.27%**
False Allegation	**12.95%**
Internet Fraud	12.08%
Quality Issue	**11.68%**
Product Return	9.52%
Deal Cancellation	6.44%
Delay of Delivery	**5.70%**
Account Misused	4.06%
After Sales Service	**3.92%**
Others	4.05%

(2014 China)

PERCEIVED NEEDS IN O2O ENVIRONMENT & SGS RESPONSES

■ **Offline Needs**

- **Authenticity** and **validity** of supplier **profile**
- **Authenticity** and **quality** of the **product**
- **Product integrity** and **quality** along the **supply chain**

■ **Online Needs**

- Buyers (both B & C) are looking for **direct**, **transparent** and **reliable** information and references of the product / service to support their buying decision

■ SGS provides digital information about order and verification of supplier, product / service for online access via either client or SGS sites

■ **SGS partnership with B2B & B2C portals** to improve the reliability and quality of the suppliers and products by offering

- Onsite **supplier audit**
- **Supplier profile** verification
- Verified supplier **mark** on the web
- Sample testing on the traded products via the portals
- Technical support services to enhance the **effectiveness** of product benchmark and selection
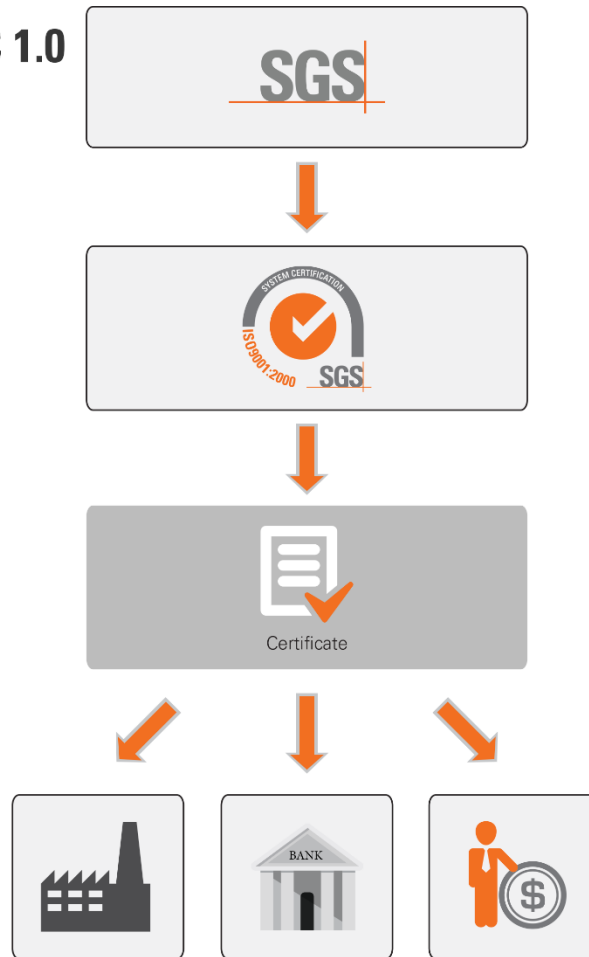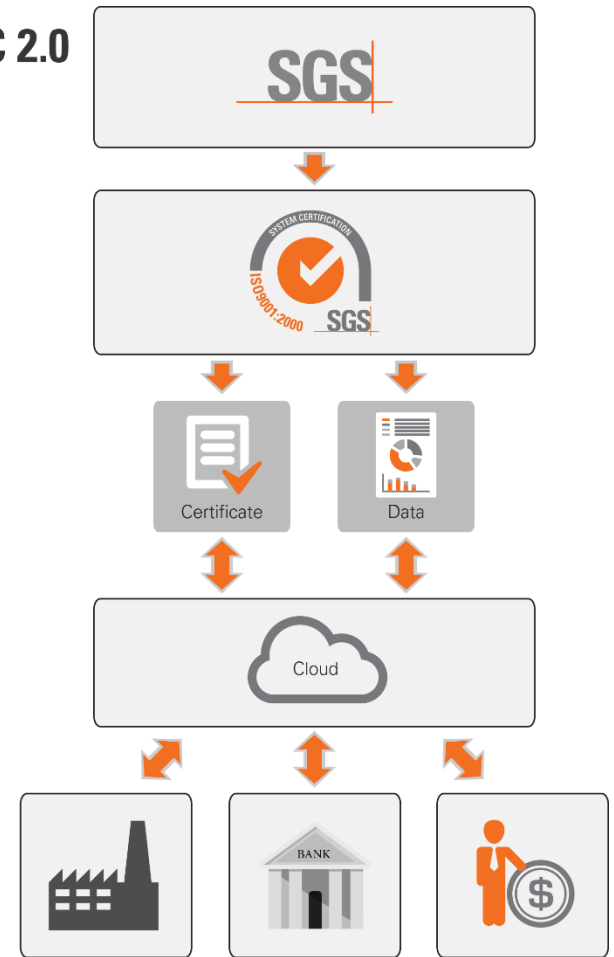
MOVING FORWARD

To improve is to change;
to be perfect is to change often.

- Winston Churchill
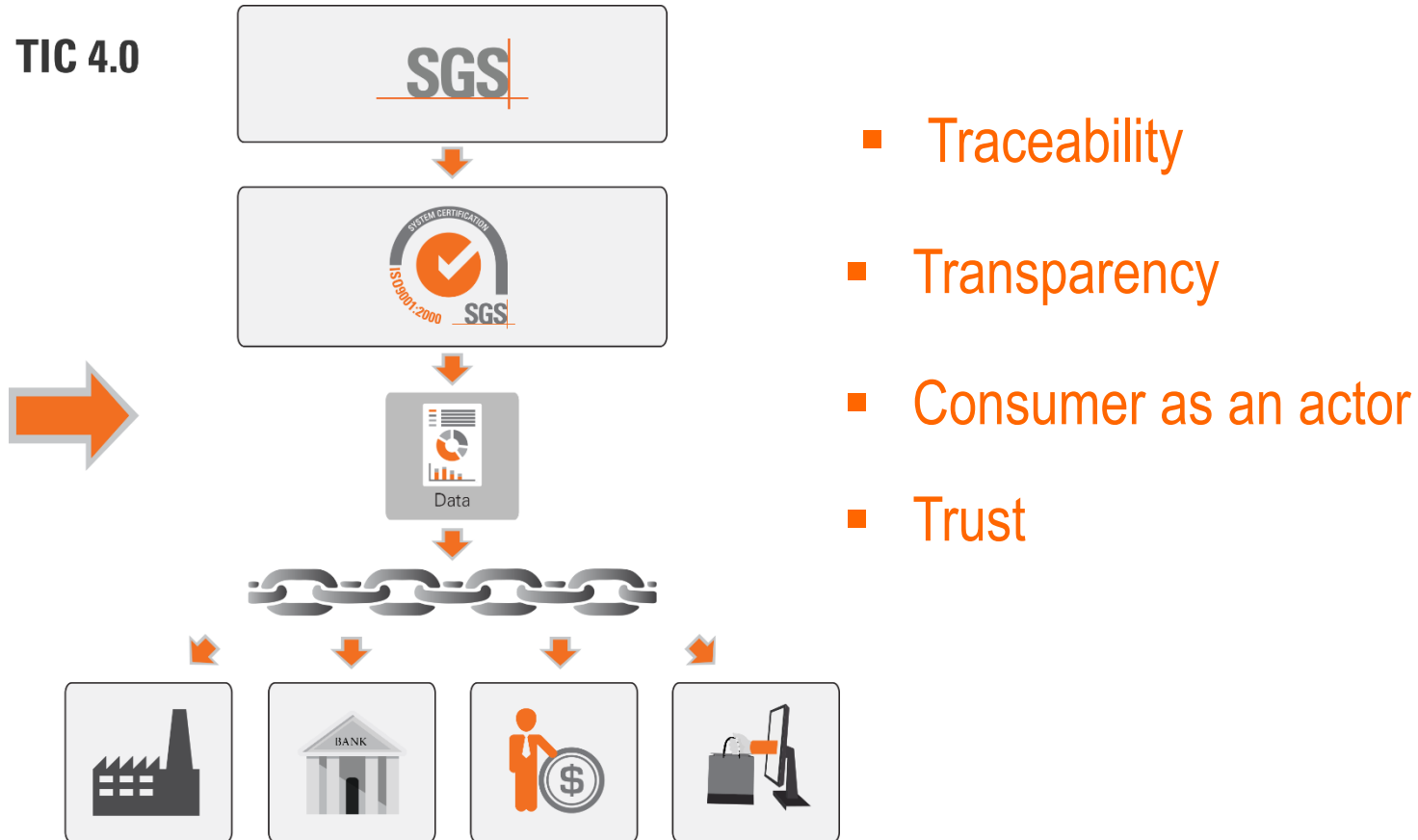
MOVING FORWARD

■ **Our Ambition**

- **Continuously** expand our O2O solutions in terms of scope and volume to e-Commerce stakeholders, **become the preferred partners** for the e-Commerce stakeholders to improve the reliability and quality of transactions, products and services.
  - Online payment security and verification services

- SGS to establish trust and assurance online, enhancing consumers' confidence by creation and verification of digital information feeding to the open site

- By default, SGS means trust in e-Commerce

- Breakthrough technologies are appearing in the Internet world that will challenge the current way data are stored, managed, shared and authenticated

- These technologies are being adopted to enable safe and secure transaction execution, authentication and monitoring. They are used to secure supply chains.

- Distributed consensus, at the heart of these technologies, makes trust « trustless », by removing the potential for tampering, altering or deleting data once it has entered the system.

- Data generated and digitized by SGS becomes the keystone of the approach.

The blockchain's distributed consensus model is the most important invention since the internet itself.
Marc Andreessen

TIC 4.0

- Traceability

- Transparency

- Consumer as an actor

- Trust

SGS GLOBE TESTER

CHILE

PERU

SGS