

DOUGLAS

PRESS RELEASE

Douglas digitalizing supply chain by adding AI technology

- AI-driven software made by Relex Solutions to optimize the entire supply chain at Douglas
- Product availability to be increased while inventories are reduced by up to 20 percent
- Machine learning to boost the impact of marketing campaigns
- Digitalization to play a key role in Douglas's strategy

Düsseldorf, 7 January 2021. Douglas, the leading premium beauty platform, is the first retailer to digitalize its entire supply chain management with AI-driven software made by Relex Solutions. The digitalization transition involves the purchase of all products from each of the company's suppliers in an effort that will improve product availability as well as the inventories of the company's online shops and stores.

The company will also use AI to boost the impact of its marketing campaigns and optimize individual product placement in Douglas's stores. In addition, AI will help to improve personnel planning in logistics sites and retail outlets.

With the help of Relex's machine-learning algorithm, the forecasting ability of the software will become more and more precise as time passes. The software is already currently capable of considering complex data structures such as daily weather forecasts for each individual store location. Moreover, the use of AI is making Douglas's entire supply chain, a system that comprises more than 100,000 products, highly efficient and increasingly agile. Accenture, a business and strategic consulting firm that is an experienced Relex transformation partner, is advising Douglas throughout the entire software implementation process.

Thomas Täuber, a managing director at Accenture who leads its Retail industry sector in Germany, comments: "Human and machine supply chains are designed for optimal service, speed, flexibility, resiliency and cost, while doing good for society. The collaboration between Douglas, Relex and Accenture has already proven its worth in the first few months of this exciting journey. By using AI-powered software, Douglas is putting its customers at the center, and will be able to make processes more efficient in the future and at the same time offer its customers an even better, more personalized service and experience with the comfort that responsible practices are being followed."

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"KI-based technologies will create a crucial competitive edge for Douglas by improving our supply chain's performance," said Dr Christian Korte, COO at Douglas. "Its digital transformation will enhance our strong e-commerce growth."

The premium beauty retailer Douglas began to focus on e-commerce in 2018 as part of its #FORWARDBEAUTY strategy. Douglas's online sales have risen by an average of about 35 percent annually in recent years. Based on the philosophy of DIGITAL FIRST, Douglas is integrating its online shops, marketplace and more than 2,000 retail stores into a digital, networked, data-based beauty platform. "Digital First is the foundation of our approach," said Tina Müller, CEO of the Douglas Group. "Our goal is to make all processes in the company more customer driven by adding digital solutions. Drawing on our data, artificial intelligence and machine learning can help us to further optimize the entire supply chain of our beauty platform."

Dr Mikko Kärkkäinen, CEO of Relex Solutions, noted: "Douglas is the perfect example of a retailer who views the current transformation of retailing as an opportunity and not a threat. The team at Douglas understands the role that smart technologies can play in the renewal of retailing. I am really looking forward to the close working relationship with Douglas, the innovations that will arise from it and the development of a next-generation supply chain."

ABOUT DOUGLAS:

Douglas is the leading premium beauty platform in Europe. Offering more than 100,000 beauty and lifestyle products in online shops, the beauty marketplace and over 2,000 stores, Douglas inspires customers to live their own kind of beauty by a previously unparalleled assortment. The continued expansion of the fast-growing e-commerce business is the focus of the #FORWARDBEAUTY.DIGITALFIRST strategy program. In fiscal year 2018/2019, Douglas generated sales of 3.5 billion euros in the areas of perfumery, decorative cosmetics, skin and hair care as well as nutritional supplements and accessories.

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