

The order is what matters

Globus Baumarkt is a company that is working on the DIY store of the future. In this process, technology that makes workers' jobs easier and increases customer satisfaction plays a major role. Before getting to the "fancy" things such as augmented reality, artificial intelligence, and machine learning to lead shoppers to a new joy between the impact drills and the canopy swings, Globus Baumarkt first wants to have done the digital homework necessary to implement them. All at the right time.



The image shows the exterior of a Globus Baumarkt store at night. The store has a large, illuminated sign that reads "BAUIMARKT" in yellow and orange letters, with the "Globus" logo in green above it. The entrance is a large glass-fronted area with a green frame. Inside, the store is brightly lit, and various construction and home improvement items are visible on the shelves. The building's facade is a mix of green and orange panels. There are some promotional signs on the right side of the building, including one that says "BESTE P... GIBT'S BEI U...".

Photo: Oliver Krato

COPY — Thomas van Zütphen

A total of 24,000 square yards, over 60 consecutively numbered aisles, a color-coded customer guidance system down to the items on the shelves. And on those shelves are 70,000 different products, some of them with up to 6 different versions. This must be what paradise looks like – at the Globus Baumarkt in Saarlouis, Germany. At least for do-it-yourselfers, amateur gardeners, and animal lovers. Or even for interior designers, renovators, and home-builders with the ambition of doing not insignificant work themselves between topping out and moving in and finding the solution to their problems at Globus Baumarkt – “If you’re building, you need Globus.”

The Globus located on Schanzenstrasse in Saarlouis is the flagship store of the currently 91 DIY stores belonging to the company. “Currently” is the operative word, since the DIY company, operated by a family from nearby Völklingen and now one of the largest DIY retailers in Germany, is growing constantly. Both strategically and organically. And for a good reason: According to BHB, Germany’s trade association for DIY, construction and gardening, sales by the top 20 DIY companies in 2017 totaled 18.54 billion euros. Germany is a nation of do-it-yourselfers.

But back to paradise: One person who knows his way around is Globus Baumarkt IT Director Martin Fries. “But even those who set foot in our store for the first time find their way around very quickly,” he assured. This is also because of IT. And through digitization. Here, at the company’s largest DIY store, first opened in 2016 near the banks of the Saar, Fries and Globus Baumarkt Marketing Director Jörg Lehmann are working with colleagues and specialists as part of a specially formed team to develop the DIY store of the future. By each successive step that brings them closer to the goal of rolling out from Saarlouis to the whole country. Into the entire Globus Baumarkt landscape, which also includes two DIY stores in Luxembourg. “The foundation for it has been laid and the framework is also complete. Now it’s a matter of the interior,” pledged Fries, specifying, “We didn’t want to get sidetracked right at the start with all the fancy things digitization makes possible. Instead, we wanted to do our homework so we could then quickly roll out everything that we like because it benefits the customer. The wrong order would swiftly bring about a rude awakening.”

A CONCEPT FROM THE SAARLAND – READY FOR ROLLOUT

To do this, the IT boss first contracted T-Systems to upgrade all stores nationwide with fiber optics and Wi-Fi, ensure broadband and availability in every corner of each store, and switch all stores to All-IP along the way. “This way,” Fries reckoned not without pride, “we’re the first corporation in the country to implement this so consistently. We defined the concept for Germany, it’s now being exported to Luxembourg and tomorrow or the day after, if you will, anywhere in Europe.” That is how easy scaling can be. “We still sweated some things along the

way,” reminisced Thomas Petry, Key Account Manager for Globus Baumarkt at T-Systems. This is because the T-Systems team had just 18 months to roll up its sleeves and revamp Globus Baumarkt’s entire infrastructure.

Today, the registers, the phones, the Internet, the WiFi, etc. – in every Globus Baumarkt – are all connected to an MPLS backbone via fiber optics. Instead of using their own phone lines, the stores use a central telephone system by Cisco to which all stores were connected via their local area codes with which customers were already familiar. “Just an MPLS data connection, all phone numbers imported, all copper cables completely cut,” summarized Fries of what had impressed him: “How T-Systems kept that incredibly tight window and how every store switchover, the entire rollout happened without any disruption.” So much for how both foundation and framework are needed for a voyage into the world of digitization. And how was T-Systems chosen?

The subsidiary of Deutsche Telekom, Fries explained, has been a strategic partner of Globus Baumarkt for several years. Cloud-based service management models, security and cyber defense solutions, or German data protection standards are ongoing topics. “But the real reason,” according to Fries, “has an entirely different component: If I’m going to embrace the future, I’m going to turn to someone who knows their stuff.”

WHAT DOES THE CUSTOMER GET OUT OF IT?

To Fries and Lehmann, it is essential that this digitization voyage emanates from the customer. “When it comes to establishing the ‘DIY Store of the Future’, what’s important to us is that the customer comes first. This is a very crucial factor.” Whether augmented reality glasses, cute little robots to guide customers around if desired, or interactive TV screens for informational videos – every decision on whether something is useful, not yet useful, or not useful at all follows the answer to two questions at Globus Baumarkt: How is it today? And how will it likely be in five years? Add to this the things that seem to have been around for years already. Fries considers digital price tags as “just one example. They used to be really pixelated, low-contrast, hard to read. Today, the technology is mature, and the image quality is so good, not least thanks to better cables, that you can barely distinguish a digital price tag from a paper one.”



“When it now comes to setting up the ‘DIY market of the future,’ for us it’s about: customer first.”

MARTIN FRIES,
IT Director Globus Baumarkt

Globus Baumarkt relies with great success on omni-channel offers such as Click&Collect

At its core, Fries sees his role as IT Director thusly: “To create a shopping experience of the future out of many existing and still to be expected mosaic stones. And, for example, to use artificial intelligence or machine learning to take administrative tasks off our employees’ backs and to use technology that frees up resources for customer service.” When walking through the store, going around a corner, Fries already had an example to show:

“Here we see one of more than 50 TVs in the store that used to have to be turned on every morning by an employee. Then, the flash drive with the video would vanish, a replacement would have to be ordered, every supplier had its own screen, yadda yadda yadda... Today, all of that is done with the push of a button and every error message is immediately logged.”

TESTING INNOVATIONS FOR SUITABILITY

Freeing up employees in this manner is important to the IT Chief. This is because Fries already knows how the Globus Baumarkt of 2025 will look compared to the one of today. “There’ll be a bit of technology, but primarily it’ll be what sets us apart already today: our employees, the

quality of their service, friendliness, helpfulness, and expertise.” The benchmark set for this is extremely high and Globus – as one almost “naturally” wants to say when standing in a DIY store – did it itself. According to well-known customer surveys, such as the Kundenmonitor Deutschland and the study by Dähne, a publisher specializing in DIY, Globus Baumarkt is regularly chosen as the most customer-friendly DIY company in Germany. To maintain this position, “we try out a lot of things,” especially in Saarlouis, “to see what our customers think.” Tested, improved upon, or discarded.

For example, VR glasses for virtually combining different bathroom designs have proven too cumbersome for customers: They take too much time to learn how to use them, each pair of glasses needs to be individually calibrated, and there are unresolved insurance issues should a customer stumble and break them – Globus Baumarkt goes down the list, item by item, of arguments against using presumed innovations at this time. Or in favor of using them. For example, Globus Baumarkt is absolutely using special glasses to track the eye movements of selected customers for market research purposes. Questions such as where does it make sense to hang placards and where are they not even noticed, or questions about warehouse stock and its availability can be quickly answered in this way.

Take robots, for example: Equipped with a navigation system, they can guide customers to specific lines or shelves they want to see. That was very nice the first time and was fun for children but was not suitable for everyday business “as things stand today.” Nevertheless, according to Fries, “It’s important to keep an eye on their development. Losing track of them could be devastating.”

OPTIONS BETWEEN SENSE AND NONSENSE

Alongside the building materials, bathroom and heating products, the tools, equipment and workshop machinery, between the paint and masonry products or gardening materials, there are many areas where Globus sees customer value maturing. Even today, the company offers fish lovers the opportunity to bring a water sample from their aquariums to Globus Baumarkt to have it analyzed. Something like this could also become a digital service in the future via an IoT platform that registers and analyzes filtration performance, oxygen supply, and water quality, thereby monitoring the health of the fish of every aquarist in the store.

Another step on Globus Baumarkt’s digitization voyage is a customer guidance system that can be used from the cellphones of customers. However, when learning by doing, even Fries and Lehmann are occasionally surprised. In the course of the “Scan&Go” program, the new self-scanners were well accepted and the standard waiting time at the checkout was reduced considerably. Surprisingly, the time saved by the customers was not sustained by an increase in paying with check or credit card rather than cash. Instead, Globus Baumarkt found that the ATMs at the checkout were booming as they let customers continue to pay with cash. For Fries, this was an indicator “that paying with your phone will also break through in Germany in a few years.”

INTERSECTION BETWEEN ONLINE SHOPPING AND IN-STORE EXPERIENCE

Other developments, on the other hand, could pick up steam faster. Electric transporters, for example, that Globus Baumarkt customers can book online in advance to transport particularly heavy purchases. But what happens when the decision to buy is held up because the customer has questions at the shelf that are unanswered? Customer service representatives can already use a portable data terminal to not only check availability but also to give customers advice. These PDTs can make calls and send e-mails, both edit and send images, and are also connected to the Globus

Craftsmanship from the bottom up – Martin Fries has been Head of IT at Globus Baumarkt since the company was founded.



Baumarkt online store, where specialists can submit orders and initiate shipment should a customer want six lawn chairs but there are only five in the store. Overall, the online channel has become tremendously important even for the DIY sector. The company logs more than 30,000 visitors to the online store every day, including the Click&Collect area, where buyers can pick up their items at a store of their choice within four hours.

“The customers at our store are switching more between shopping in person and shopping online,” explained Fries. “But online shopping also has its limits in the DIY sector. The ninth roll of wallpaper – because eight wasn’t enough – the customer buys online. But the initial purchase was in the store. See, touch, unroll: The literal look and feel of many products often can’t be replaced by anything for DIY store customers.” Nevertheless, Fries wants to continue advancing the connection between in-store and online shopping. “We still have many ideas and we’re always trying out a lot of things,” added the IT boss with a smile. “But there are still some things we won’t reveal yet. We in the Saarland simply don’t like to cross our bridges before we get to them.” And it is easy to believe the head of IT at Globus Baumarkt when he says there is still plenty to come.

Thomas.Petry@t-systems.com
www.globus-baumarkt.de