

Optimizing Delivery and Fulfillment Through Digital Transformation

How Retailers and Consumer Brands Can Use Digital Solutions to Improve the Delivery Experience for Customers

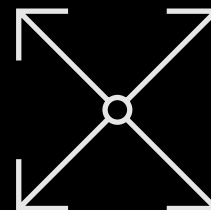




TABLE OF CONTENTS

3	Executive Summary
4	About the Respondents
5	Key Insights
6	Customers See Room for Improvement in Retailers' Shipping and Fulfillment Experiences
8	Next-Generation Fulfillment Capabilities Are Still a Challenge for Some Brands
12	Conclusion: Optimizing Delivery and Fulfillment with Digital Solutions
13	Key Suggestions
14	About the Authors

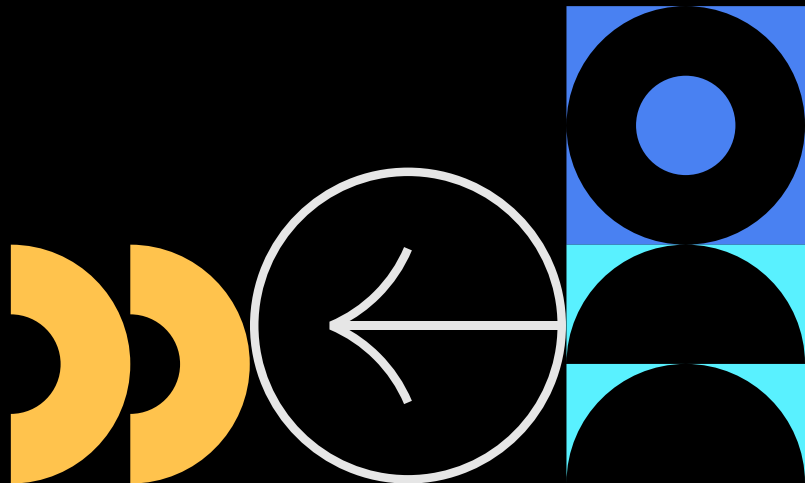
Executive Summary

"PICKUP-ANYWHERE AND FAST SHIP-TO-HOME DELIVERY."

This report highlights the critical role of digital tools and logistics platforms in addressing contemporary consumer expectations for convenient and flexible shopping experiences, such as pickup-anywhere and fast ship-to-home delivery. It also emphasizes the adoption of real-time order management software, dedicated staffing for online orders, and analytics for forecasting as key strategies among retailers to enhance operational efficiency and customer satisfaction.

One key finding is that all the respondents believe it is at least somewhat important to have data in one location to make actionable fulfillment decisions.

This points to the necessity of consolidated data access. It also underscores the importance of an integrated omnichannel platform for agile decision-making.



About the Respondents

The WBR Insights research team surveyed 50 leaders from retailers and brand manufacturers across the U.S. and Canada to generate the results featured in this report.

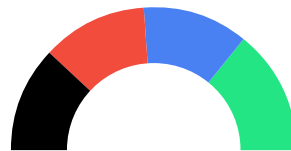
The respondents are C-suite executives (24%), vice presidents (24%), department heads (24%), and directors (28%).

The respondents occupy roles in ecommerce or ecommerce technology (28%), logistics or supply chain (16%), customer experience (16%), retail transformation (16%), omnichannel operations (12%), and delivery and fulfillment (12%).

A variety of retailer types are represented in the report, including department stores (12%), hardware, electronics, and appliances retailers (10%), home furnishing retailers (10%), and specialty retailers (10%), among others.

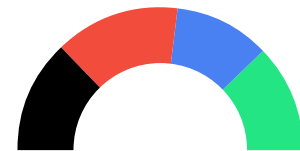
Most of the respondents (74%) represent companies that make more than \$1 billion in annual revenue.

What is your seniority?



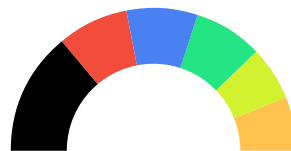
- 24% C-Suite
- 24% Vice President
- 24% Department Head
- 28% Director

What is your annual revenue?



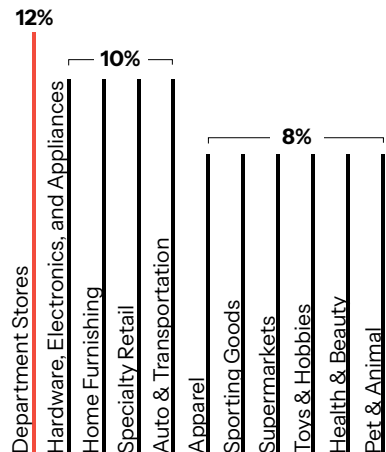
- 26% \$500 million to \$1 billion
- 28% \$1 billion to \$5 billion
- 22% \$5 billion to \$10 billion
- 24% More than \$10 billion

What is your role?



- 28% Ecommerce or ecommerce technology
- 16% Logistics or supply chain
- 16% Customer experience
- 16% Retail transformation, innovation, strategy, or growth
- 12% Omnichannel operations, services, or solutions
- 12% Fulfillment & delivery

What type of retailer do you represent?





Key Insights

AMONG THE RESPONDENTS:

76% believe their customers would rate their shipping and fulfillment experience as good or excellent. Most say the reasons for these high ratings are:

- Product quality upon arrival (68%)
- Product availability (61%)
- Shipping speed (55%)

24% believe their customers would rate their shipping and fulfillment experience as mediocre. Most say the reasons for these low ratings are:

- High shipping costs (83%)
- Shipping delays (67%)
- Inefficient returns processes (58%)

66% in each case say pickup anywhere and standard ship-to-home are a significant challenge as ecommerce fulfillment and delivery options.

80% rate their post-purchase experience as either good or excellent.

70% are using software for real-time order management to manage their in-store labor for curbside and in-store pickup.

In each case, most also use the following to manage their in-store labor for curbside and in-store pickup:

- Dedicated staff for online order fulfillment (62%)
- Analytics to forecast peak pick-up times (60%)
- Collaboration tools for better communication among staff (54%)



Customers See Room for Improvement in Retailers' Shipping and Fulfillment Experiences

The retail and ecommerce sectors face a critical need for fast, affordable, and transparent shipping and fulfillment services. Consumers' expectations are rapidly evolving, with a strong preference for businesses that offer quick delivery times, low shipping costs, and clear communication regarding the status of their orders.

This shift has prompted retailers to prioritize logistics innovation, ensuring they remain competitive in a market that values speed and transparency. However, some brands are still struggling to meet customer expectations regarding fulfillment, and they don't yet have the capabilities to execute next-generation services like same-day fulfillment or "pick up anywhere."

In your view, how would your customers rate your organization's shipping and fulfillment experience overall?

Excellent



Good



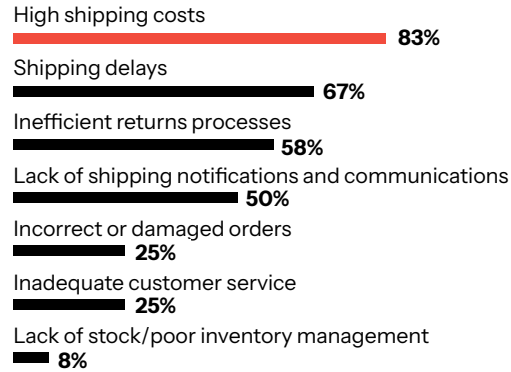
Mediocre



The survey findings reveal a split in customer perceptions of shipping and fulfillment experiences. Although most brands believe their shipping and fulfillment strategies are successful, a significant number feel that they are missing the mark.

Specifically, 76% of respondents rate their organization's capabilities as good or excellent, largely attributing this to factors like product quality upon arrival, product availability, and shipping speed. In contrast, 24% acknowledge a mediocre customer rating due to high shipping costs, shipping delays, and inefficient returns processes.

Since you said your customers would rate your shipping and fulfillment capabilities as mediocre or poor, which of the following are common complaints you've heard from your customers about the experience?



Since you said your customers would rate your shipping and fulfillment capabilities as good or excellent, for which of the following do you most often receive praise?



This disparity underscores the importance of maintaining high-quality products and ensuring their availability.

However, it also emphasizes the need to address logistical challenges. This includes the costs that brands are passing down to customers as well as retailers' ability to leverage logistical services in a way that expedites delivery.

Brands that rely on disparate fulfillment services may not be able to deliver products to customers quickly, even in locations where they can technically reach. Furthermore, some companies may lack an appropriate platform that simplifies last-mile logistics, automation, and dispatch for reliable delivery.

By addressing these specific complaints, brands can elevate the customer experience, potentially converting mediocre perceptions into good or excellent ratings.



Next-Generation Fulfillment Capabilities Are Still a Challenge for Some Brands

Fulfillment capabilities such as pick-up anywhere, pick-up in-store, and curbside pickup now play a pivotal role in retail success. These services meet the growing customer demand for convenience, speed, and flexibility in shopping.

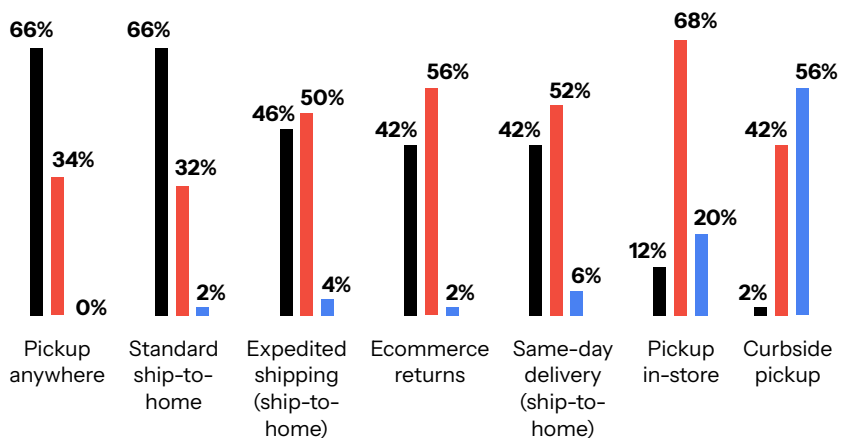
They also allow retailers to enhance the customer experience, bridging the gap between online and physical shopping. Implementing these capabilities effectively can lead to increased sales, customer satisfaction, and loyalty.

How much of a challenge are the following Ecommerce fulfillment and delivery options for your organization?

● This is a significant challenge.

● This is somewhat of a challenge.

● This is not a challenge.



Most organizations find pickup anywhere and standard ship-to-home services significantly challenging, with both options flagged by 66% of participants. This points to the operational hurdles faced by retailers and consumer brands in adapting their shipping and fulfillment strategies to modern consumer expectations.

Executing a pickup anywhere strategy, for example, requires a seamless integration of inventory management, order processing, and logistics. Only then can retailers ensure customers can pick up their purchases from designated locations near them. This often includes coordinating with multiple partners such as local stores or third-party pickup locations.

On the other hand, standard ship-to-home services involve complex supply chain processes, including managing inventory levels and forecasting demand accurately to avoid stockouts or overstocking.

To sustain capabilities like pickup anywhere and fast ship-to-home fulfillment, brands require a robust logistics platform that can handle the complexities of real-time inventory visibility and order allocation across multiple locations. Such a platform streamlines coordination between supply chain components, ensuring efficiency and customer satisfaction.

How are you currently managing your in-store labor for curbside and/or in-store pickup?

Utilizing software for real-time order management (e.g., geofencing notifications, smart pick-up windows, automated customer communications)

 **70%**

Dedicated staff for online order fulfillment

 **62%**

Utilizing analytics to forecast peak pick-up times

 **60%**

Collaboration tools for better communication among staff

 **54%**

Using RFID technology for faster item locating and tracking

 **46%**

Automated order preparation systems (e.g., robots, conveyor belts)

 **32%**

On the topic of curbside and in-store pickup, a significant majority of retailers are adopting software for real-time order management (70%), indicating a trend towards digital solutions for enhancing these experiences. This is closely followed by the use of dedicated staff for online order fulfillment (62%), showing a commitment to streamlining the order preparation process.

Additionally, analytics for forecasting peak pick-up times (60%) and collaboration tools for staff communication (54%) are employed to optimize operations and improve efficiency.

These findings underscore the importance of technology and strategic staff management in modern retail and consumer brand operations. Specifically, the integration of real-time order management software and analytics highlights a proactive approach towards anticipating customer needs and managing peak times. This shows that companies are focusing on these fulfillment methods in an attempt to meet customer needs and expectations.

For example, the dedication of staff to online orders points directly to the prioritization of online shopping channels, reflecting changing consumer behaviors.

For retailers and consumer brands, these trends highlight the necessity of investing in digital tools and organizational strategies that enhance the fulfillment process, improving both customer experience and operational effectiveness.

How would you rate the current post-purchase experience you offer your customers (e.g., tracking shipments after purchase, sending communications about shipments)?

Excellent—end-to-end shipment tracking, automated communications, and messaging from a single source.

36%

Good—some shipment tracking and standard communications.

44%

Mediocre—Minimal shipment tracking and some communications.

20%

However, most retailers would agree that the customer experience doesn't end once a product is in the customer's hands. The post-purchase experience can be just as vital to maintaining customer loyalty.

According to the study, 44% of the respondents categorize their post-purchase experience as good, indicating they provide basic shipment tracking and communication. Meanwhile, 36% believe they offer an excellent experience that features comprehensive end-to-end shipment tracking, automated updates, and integrated messaging.

Only 20% rate their post-purchase experience as mediocre, meaning they have minimal shipment tracking and only some communications.

These findings indicate a growing awareness among retailers and consumer brands about the importance of a robust post-purchase experience as a competitive differentiator. Retailers with sophisticated tracking and communication systems are better positioned to foster stronger relationships with their customers, encouraging repeat business and word-of-mouth recommendations.

Investing in enhanced post-purchase experiences is not just about solving an operational challenge. It is also a strategic move to solidify brand loyalty and reputation in a competitive market.

How important is it to have data in one location in order to make actionable decisions?

Very important—the easy access and analysis it provides would improve or already improves our decision-making.

56%

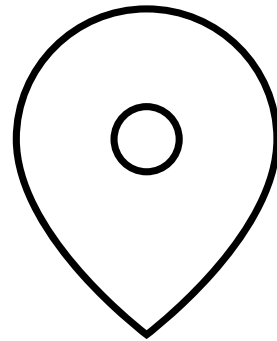
Somewhat important—Access to consolidated data can facilitate better decisions, but we can or could manage with data from multiple sources if necessary.

44%

Of course, none of the fulfillment capabilities mentioned here, including the post-purchase experience, can be executed without data.

All the respondents agree that having data in one location is at least somewhat important to making actionable decisions. Specifically, 44% believe access to consolidated data can facilitate better decisions, while 56% feel that easy access to data and analytics is critical to improving decision-making.

To truly improve delivery, fulfillment, and the post-purchase experience, retailers must gain real-time visibility into their data, enabling them to react swiftly to consumer needs and market changes. An omnichannel fulfillment and delivery platform is critical in this regard, serving as the foundational tool for maintaining consolidated data in a single, accessible location.

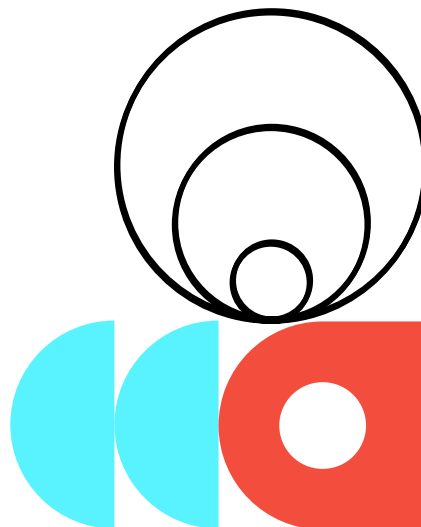


Optimizing Delivery and Fulfillment with Digital Solutions

The results of the study clearly emphasize the importance of adopting digital solutions to meet modern consumer demands in retail fulfillment and delivery services. The integration of real-time order management, robust logistics platforms, and data analytics plays a pivotal role in enhancing customer satisfaction, operational efficiency, and ultimately, brand loyalty.

Furthermore, the respondents emphasize that a comprehensive post-purchase experience is necessary for retailers to maintain strong customer relationships beyond the initial sale. Strategic staffing also plays a role, especially in in-person fulfillment capabilities like pickup in-store and curbside pickup.

The current retail landscape is not just about overcoming logistical challenges but also about leveraging technology and data to create seamless, customer-centric shopping experiences. Retailers that invest in these areas are better equipped to navigate the complexities of today's market and achieve competitive advantage.





Key Suggestions

"REAL-TIME DATA IS KEY TO ANTICIPATING CUSTOMER NEEDS AND MANAGING PEAK TIMES EFFECTIVELY"

1. _____

Implement a robust last-mile delivery orchestration platform that offers a network of DSPs and extends delivery coverage and flexibility. This is crucial for enabling efficient BOPA and last-mile home delivery services.

2. _____

Adopt digital solutions for real-time order management and analytics. Real-time data is key to anticipating customer needs and managing peak times effectively, thereby enhancing the customer shopping experience and operational efficiency.

3. _____

Invest in advanced tracking and communication systems for the post-purchase experience. Sophisticated tracking mechanisms and clear communication channels can significantly improve customer satisfaction, leading to increased loyalty and repeat business.

4. _____

Ensure your data is consolidated and easily accessible. Access to real-time, consolidated data allows for swift decision-making and adaptation to consumer needs and market changes, ultimately improving delivery, fulfillment, and the post-purchase experience.

About the Authors



Delivery Solutions empowers everything after the sale.

Our Delivery, Pickup, Post-Purchase, and Returns product suite intelligently orchestrates with multiple carriers, allowing you to create a connected experience for your end customers.

The Delivery Solutions platform is the most flexible omnichannel software on the market. Each product is endlessly configurable, so customers get what they want when and where they want it.

For more information, please visit deliverysolutions.co.



WBR Insights is the custom research division of Worldwide Business Research (WBR), the world leader in industry-driven thought-leadership conferences. Our mission is to help inform and educate key stakeholders with research-based whitepapers, webinars, digital summits, and other thought-leadership assets while achieving our clients' strategic goals.

For more information, please visit wbrinsights.com.



We launched eTail in 1999 and have been dedicated to supporting the growth of the retail industry ever since. What started off as 100 people in a room discussing where this sector is headed has led to 2,000 senior-level eCommerce executives being inspired whilst learning and developing their company as well as their careers.

For more information, please visit etailwest.wbresearch.com.

