

PRESENTED BY 

# Fulfilment: *The final frontier*

eStar Chief Executive **Andrew Buxton** discusses why fulfilment is the final frontier.

**T**HESE ARE THE voyages of your online order, to seek out new ways to boldly go exactly where you want it to go and to appear in full and on time.

Online fulfilment can seem like science fiction, from robots moving product in Amazon warehouses, to trials of flying drones delivering chinos directly to the target. And if AI and personalisation narratives are to be believed, delivery of my second pair of pants before I thought I needed them!

## Fulfilment is the last critical step in the customer journey

Fulfilment is absolutely critical to the customer experience, failure is not an option. Irrespective of fulfilment's importance it is often over-looked by retailers. According to a recent survey by shipping platform Temando, "80% of shoppers prefer a specified time slot for delivery and 75%

want guaranteed weekend or after-hours shipping, only 31% and 18% of retailers respectively are offering these services."

Unfortunately, fulfilment is just not as sexy as new products or new front-end functionality, and it's often managed by that gruff, old guy in the warehouse!

But to succeed at fulfilment you have to measure it, then understand it, then improve it.

To improve fulfilment always start with the customer journey. Keep in mind what your customers want, taking into consideration what is achievable.

## Measure twice, deliver once

Always measure fulfilment performance. The most common measure is the percentage delivery in full, on time (DIFOT) at an order or order-line level. Aim for 100% and expect to always be better than 98%. Understand your fulfilment

failures and adapt processes for continuous improvement.

Make your returns as easy as possible for customers. All stores should accept online returns, and the process for returning should be clear and simple to follow with options for in-store or delivered.

The main reason customers use click & collect is because it is an easy collection point. Although customers are wanting to click & collect, Australian retailers are still lagging behind. The May 2017 CommBank 'Retail Insights Report' found click & collect is being offered by only 42% of retailers.

Click & collect can also be a massive upsell opportunity and engagement tool for store teams, we have seen retailers upsell on over 25% of orders collected from store.

Expect the options for online fulfilment collection centres to grow. Often this starts with retailers offering click & collect from other brands within their group, then networks of collection points (stores or locker types). As the volume of online orders grows so does this potential.

## Taking fulfilment to the next level

International delivery from Australia is possible for any brand. It's also the first step on developing an international growth – talk to your eCommerce solution provider if this hasn't happened. Being clear on international growth potential is key as delivering products to a big market where you may have no brand awareness and much larger competitors is challenging.

## Give your customers what they want, now!

At present, customers expect next day delivery as an option and you should provide it, but don't be surprised if it has low take-up and is difficult to manage. Same day delivery and pick-up has been available for many leading retailers for years – Country Road is one example – however the demand for these services in categories like apparel is relatively small.

## The (near) future of fulfilment

Over the next few years we will see global improvements in fulfilment. The sharing economy and autonomous vehicles will enable mass volumes of short-term deliveries in populated areas. After dropping your kids at school, and you at the office, your family car will head off to deliver online orders for the day!

Great online fulfilment is the next frontier. Probably not the final frontier but certainly a critical step in being able to live long and prosper. ■