

Rising to the challenge:

How retailers are meeting the demands of omnichannel commerce

Most companies are still honing their omnichannel business strategies, looking for ways to capitalize on the growth of e-commerce and get a better handle on fulfillment and last-mile delivery challenges. That's the overarching theme of a survey on the topic by industry research firm ARC Advisory Group, conducted in late summer in partnership with DC VELOCITY. Here, we offer a snapshot of the survey findings on why companies are pursuing omnichannel strategies and how they're doing it.



Top reasons to pursue omnichannel capabilities

(respondents were asked to indicate their top three reasons)

(% of responses, multiple answers accepted)



Warehousing and logistics professionals say their companies are developing omnichannel capabilities for some pretty simple reasons: to increase sales, grow market share, and improve customer loyalty.

What are your omnichannel capabilities?

(% of responses, multiple answers accepted)



"Order from store, fulfill from warehouse" is the most predominant omnichannel service offering in the industry, but others are gaining traction, including "buy online, return in store" and "order at store, fulfill from another store."

To what degree are your stores used for e-commerce picking, packing, and shipping?

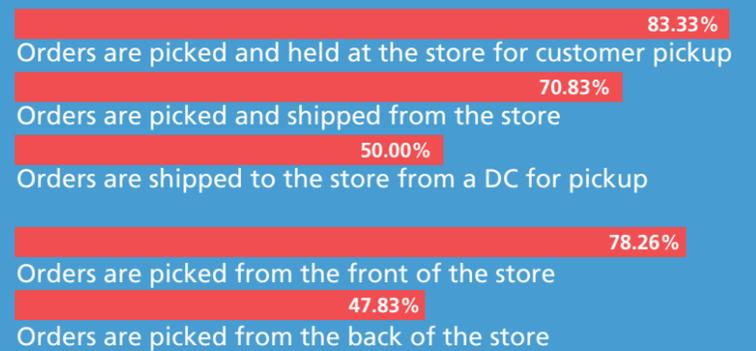
(% of respondents)



Note: Figures add up to more than 100% due to rounding by DC VELOCITY.

How are your e-commerce orders fulfilled through stores, and how are they picked?

(% of responses, multiple answers accepted)



Companies are using their retail outlets to fill online orders—mostly for customer pickup, but also for delivery. Most orders are picked from the front of the store.

How do you handle last-mile deliveries?

(% of respondents currently using, planning to use, or have no plans to use)

	Currently use	Do not use but plan to use	Do not use and have no plans to use
Parcel	82.69%	9.62%	7.69%
Courier	48.94%	14.89%	36.17%
Store fleet	36.36%	9.09%	54.55%
Drop-shipped by partners	51.06%	23.40%	25.53%
Crowdsourced delivery service	9.09%	25.00%	65.91%
3PL delivery partner	51.02%	14.29%	34.69%
Store staff (car, bike, foot, etc.)	13.64%	11.36%	75.00%

Parcel delivery service is the most predominant method of last-mile delivery today; crowdsourced delivery (via services such as Deliv and Instacart) is least used but expected to grow in the next few years.

About the study: ARC Advisory Group's 2019 Omnichannel and Last-Mile Survey explored challenges in omnichannel business, with a focus on fulfillment, the changing role of the retail store, and last-mile delivery. The survey was conducted across more than 100 logistics, warehousing, and supply chain professionals from a variety of industry verticals, who submitted responses during August and September. The full report is available from ARC, www.arcweb.com.

SOURCE FOR ALL DATA: ARC ADVISORY GROUP, 2019 OMNICHANNEL AND LAST-MILE SURVEY

