Ship-from-store:

Game changer in global retail

CONTENT

MISSION AND VISION OF STORESHIPPERS

StoreShippers is a ship-from-store logistics platform providing sustainable urban collection services and sustainable same-day and instant delivery in cooperation with bicycle couriers and other eco-friendly couriers around the world. StoreShippers envisions that global retailers will increasingly source online orders from local stores to meet the need for faster, cost-efficient, and more sustainable delivery options and leverage existing infrastructure.

The mission of StoreShippers is to build a global sustainable ship-from-store network to connect global online visibility with local offline presence. StoreShippers dreams of a world where online orders are delivered by bicycle couriers in reusable shopping bags directly from local stores to local consumers and online and offline retail reinforce each other and not compete with each other.

STORESHIPPERS' COVERAGE

StoreShippers offers brick-and-mortar retailers the opportunity to implement a ship-from-store and micro-fulfillment strategy on short notice. With one IT integration StoreShippers provides access to local couriers in all major cities in Europe and the USA. With one single API retailers gain access to a ship-from-store network with sustainable delivery solutions in +15 countries and +350 cities.

STORESHIPPERS' EXPANSION

In order to create a sustainable ship-from-store logistics network for retailers all around the world, we are dedicated to growing our network and our services. We will add consolidation points and locker networks in all major cities to increase efficiencies and meet customer demand. Also, we are continuously adding new countries and cities to our delivery platform.

MARKET TRENDS IN GLOBAL ONLINE RETAIL

Saying that the e-commerce market is booming is an understatement. The sector continues to grow with no indication of slowing down.

According to eMarketer, the global e-commerce market is expected to total $4.89 trillion by the end of the current year. Especially in 2020, at the time of the global COVID-19 pandemic, consumers have switched to e-commerce en masse. While total worldwide retail sales declined, e-commerce managed to perform above pre-pandemic expectations in 2020. As can be

seen from the chart be seen from the chart below, the global e-commerce market is expected to continue to increase each year.

E-commerce sales are expected to reach $6.39 trillion by 2024. Over the years we have seen a shift away from brick-and-mortar retailers to online retailers. Technological developments ensured that products around the world became increasingly accessible to consumers. Many brick-and-mortar retailers continued to conduct the same business after the advent of the

internet, while online retailers continued to develop rapidly. As a result, brick-and-mortar stores were confronted with declining demand and sales, while the demand for online retail increased and online revenues continued to soar. This is also visible on the graph below: global e-commerce sales are making up an increasing share of total retail sales every year. In 2024, 21.8% of all retail sales are expected to take place via e-commerce, compared to 13.6% in 2019. This translates to an 8.2% increase in five years. From 2015 to 2024 this is an increase of 14.4%. This means that global online sales are taking more and more market share from traditional retail. In fact, by the end of this year, China is expected to become the first country in history to transact more than half of its retail sales digitally.

However, this does not alter the fact that physical stores still have an important role in today's digital retail landscape. Although the growth of pure offline stores is a lot slower nowadays than the growth of pure online players, the turnover in physical retail is still growing. The turnover of multichannel retailers sometimes even grows faster than that of pure online players. This shows that both physical and online presence are part of a successful retail strategy in this digital age.

Looking at the above, it is not surprising that the most successful retailers today are those who are (also) digitally active. However, this doesn't mean that online retail doesn't face any challenges. Consumers are becoming more demanding, delivery has to be faster and sustainability and branding are becoming increasingly important themes within e-commerce. In this chapter we have outlined the four most important market trends in global online retail, which can be a challenge for many retailer.
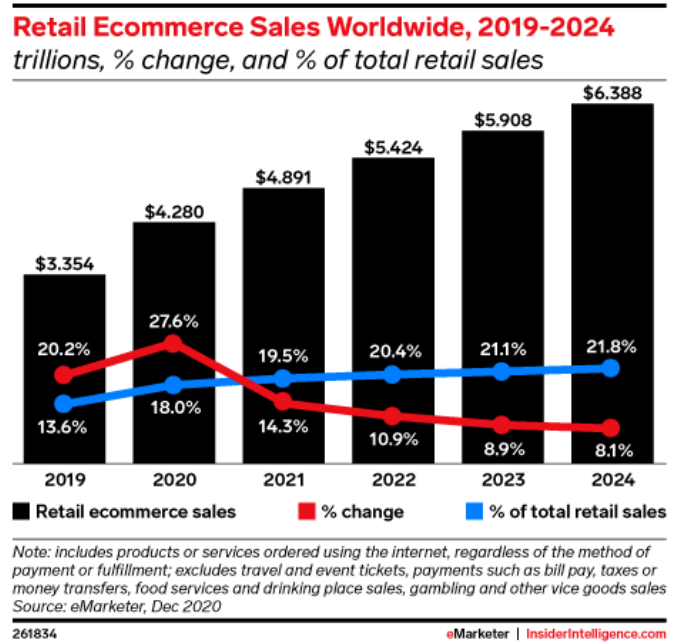
Source: eMarketer "Retail Ecommerce Sales Worldwide, 2019-2024" 2015-2025" Statista

E-COMMERCE SHARE OF TOTAL GLOBAL RETAIL SALES FROM 2015 TO 2024
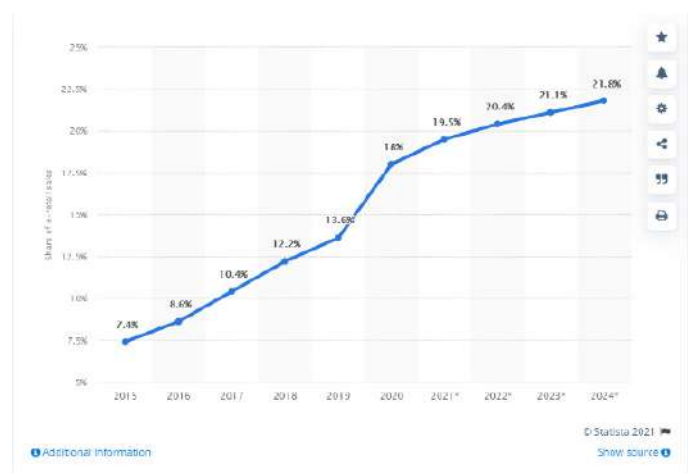
Source: Daniela Coppola, "E-commerce as share of total retail sales worldwide"

THE CONSUMER TAKES CONTROL

With the growth of global e-commerce, the number of players is also increasing. The consumer now has a choice of numerous different providers, which causes the expectations of modern consumers to be higher than ever. Because the e-commerce sector is strongly influenced by consumers, it is becoming more and more important to listen carefully to their growing expectations and wishes and to respond to them with your business operation. As a retailer, you need to make shopping for consumers as easy, fast, and fair as possible, providing them with a positive shopping experience. To do this, you have to listen carefully to the consumers, map out their needs and ensure that barriers are removed quickly and easily. Although it is not always easy, it is important that you meet the expectations of consumers as much as possible, as you can no longer ignore them. It's consumers who are in control and their demand is shifting needs and expectations.

FAST, FASTER, FASTEST

E-commerce giant Amazon has set the bar high in terms of delivery speed. By opening micro-fulfillment centers closer to where customers live, Amazon has reduced delivery times to just a few hours. Consumers have become accustomed to fast delivery and expect instant gratification. Until a few years ago, consumers were used to waiting several days for their online orders to arrive. Nowadays, retailers can no longer permit a long delivery time. Retail giants who are able to deliver their products faster have introduced consumers to a better alternative and changed their experience. Purchasing products online must be easier and, above all, faster.

That consumers attach great importance to fast delivery is evident from the fact that 80% of online shoppers want same-day shipping. 61% want to receive their packages even faster, preferably within 1-3 hours of placing an order. 49% of consumers state that same-day delivery makes them more likely to shop online. The latter applies in particular to Gen Z online shoppers. 61% of consumers are even willing to pay for same-day or faster delivery.That offering same-

day delivery is important for online sales is shown by the fact that more than 25% of online shoppers would abandon a cart online if same-day shipping wasn't available.

As a retailer with an online channel, you can't ignore the consumers' demand for fast delivery services. Same-day delivery increases customer satisfaction and can give you a lot of recurring business from customers. Moreover, offering same-day delivery can help you gain a competitive edge over 85% of other players, according to the research by Go People.

Same-day or faster delivery combines the convenience of online shopping with the instant gratification that consumers experience when buying a product in a physical store, bringing the online shopping experience closer to the offline shopping experience. By adding this wow-factor to your online delivery, you can improve customer satisfaction, boost loyalty and thus increase your online sales. Adding a fast delivery solution to your online business has never been more important.

SUSTAINABILITY SINE QUA NON

Sustainability is an increasingly important theme within the e-commerce sector. The sector has already made great strides in this area, but there is still much to be gained. Sustainability must move up the agenda for retailers who want to stay relevant in the future. It's therefore important to reduce your impact on the environment and to increase your impact on society. Besides the fact that this turnaround in retailers' business operations is expected from policymakers, it is also expected from consumers.

The modern consumer attaches great importance to the environmental impact of the companies they shop at. Consumers are not only becoming more demanding in terms of speed, but sustainability also appears to play an increasingly important role in their purchasing decisions. This is apparent from the fact that 69% of online shoppers would be inclined to order from an online store if they knew that it is committed to sustainable delivery and packaging. Moreover, 84% of consumers indicate that sustainability is important when making purchasing decisions.

It even goes so far that consumers are willing to make concessions if this means that the environmental impact is lower.

This is apparent from the fact that 75% of consumers would wait longer for parcels if they knew that opting for a shorter delivery period resulted in more air pollution and congestion. 60% of online shoppers are even willing to pay extra for sustainable delivery methods.

It is important that you put your best foot forward in the fight for a more sustainable world. You can take your responsibility by being transparent about where parts of products come from and how they are transported, by rethinking inventory management, waste, and packaging, by clearly indicating what the impact of the different delivery methods is on the environment, and by working with delivery companies who are using sustainable delivery vehicles. It concerns the entire process: from production to delivery to the consumer. Green business practices not only benefit the liveability of the earth, but it also meets the wishes of the increasingly demanding consumer. This results in happy consumers and more sales.

RETENTION FOR PROFIT

Selling to existing customers is one of the most important factors for a successful retail business. Returning customers are often essential if you want to grow your customer base. In the battle with the major competitors, you want customers to order more often and more easily, so that you retain customers. The extent to which you can bind existing customers mainly depends on the brand experience you offer your consumer. An important part of this is branded delivery. The post-purchase communication often only consists of a bill with a thank you note and emails with news and offers. Focusing on the delivery aspect is often forgotten while this is one of the last moments that the consumer comes into contact with your store. It is therefore important that your brand is reflected in the delivery process, for example through branded notifications and packaging, instead of just the branding of the delivery company. By including your brand experience in the delivery process, you create upselling opportunities that would otherwise not exist.

StoreShippers can help your business meet the increasing consumer expectations and demands. With our ship-from-store strategy, we ensure, among other important things, that orders are delivered to consumers quickly and in a sustainable way, and that your brand experience is improved through branded delivery. Read on to learn more about our ship-from-store fulfillment strategy and how we can help to improve your business.

SHIP-FROM-STORE AS A SOLUTION

To overcome the challenges associated with the growth of e-commerce and keep up with the trends of global e-commerce, it is important to blur the line between online and offline retail in a way that both channels reinforce each other. The best way of doing this is by implementing our ship-from-store fulfillment strategy in your business. With our method, the increasing consumer expectations and wishes in the field of delivery speed and costs, sustainability, and customer and experience can be met.

WHAT IS SHIP-FROM-STORE?

Ship-from-store is a fulfillment process where retailers use stock from their brick-and-mortar stores to fulfill online orders. Instead of using centralized distribution centers, the brick-and-mortar store is used as a small distribution center, to support the digital platform. With ship-from-store retailers can ship an online order straight from their local store instead of having to ship the order all across the world from a central warehouse. Fulfilling orders this way turns the store into a virtual hub and ensures that orders are sent smoothly and quickly to the end-consumer.

HOW DOES SHIP-FROM-STORE WORK?

In practice, ship-from-store works as follows: Customers visit the online store and place their order online. The online store gets notified that the order is placed, checks store inventory, and searches for the store closest to the consumer. The store employees then collect the items for the order - sometimes by shipment, sometimes in bulk. The store employees pack the items and prepare the order to be handed to the carrier. Finally, the carrier collects the package from the store and delivers it to the end-consumer.

WHAT ARE THE BENEFITS OF SHIP-FROM-STORE?

mplementing a ship-from-store fulfillment strategy offers you several benefits. Retailers who applied this strategy saw many positive results, such as higher sales, faster deliveries, optimized inventory forecasting, higher margins, and lower costs. We have listed and explained some of these benefits below.

1. EFFICIENT USE OF BRICK-AND-MORTAR STORES

As more and more consumers order their products online, brick-and-mortar retailers are losing customers and sales are falling. At the same time, online retai- lers are increasingly confronted with challenges in the field of fulfillment. Due to the huge number of online orders, it becomes more difficult for online retailers and carriers to manage all these orders. Implementing a ship-from-store strategy solves these problems by moving your fulfilment process to the store or by having the store serve as an addition to the larger distribution centre, which offers the opportunity to use your stores efficiently and increase sales.

2. OPTIMIZED INVENTORY MANAGEMENT

Ship-from-store requires better inventory management because in-store inventory must be accurately displayed in the online store to avoid disappointed consumers. Ship-from-store gives you a better view of stock levels, allowing improved inventory decisions. Better inventory management has the advantages that the level of service and margins are increased and the order and stock levels are lowered.

In addition, inventory is shared across all store locations and overall, this means that you are able to carry less inventory.

3. BETTER WAREHOUSE EFFICIENCY

Retailers who have implemented ship-from-store can process a large number of orders at a rapid pace. Stores are relatively small, allowing order pickers to quickly collect items. This, along with the adoption of the right technology and hardware, can maximize the efficiency of your local warehouse.

4. HIGHER MARGINS

If a certain product in the brick-and-mortar store is not sold, then in many cases, without ship-from-store fulfillment strategy, it will be offered at a discounted price. With ship-from-store, there is still the possibility to sell this product online at full price, or vice versa. Combining online and offline ensures a greater exposure of products and higher margins.

5. IMPROVED SPEED

Consumers who shop online attach value to various factors in the purchasing and delivery process. However, shipping costs and speed are often seen as the most important. Retailers who have implemented a ship-from-store fulfillment strategy have the opportunity to ship locally from a store in geographic proximity to the end-consumer, enabling fast delivery of orders.

6. REDUCED COSTS

By moving your fulfillment process close to the consumer's home, it is possible to ship items at relatively low costs. Besides reduced last-mile delivery costs, ship-from-store also reduces costs of picking and storage in the DC. Bringing higher volumes through the stores can both reduce cost per parcel for pick-up, while increasing store efficiency, for example with one person doing several picks once a day.

7. ENVIRONMENTALLY FRIENDLY

In addition to shipping costs and speed, modern consumers also attach great importance to the degree of sustainability of retailers. Sustainability appears to play an increasingly important role in their purchasing decisions. This is apparent from the fact that 69 % of online shoppers would be inclined to order from an online store if they knew that it is committed to sustainable delivery and packaging. Ship-from-store is a sustainable alternative to traditional e-commerce logistics. It changes the supply chain as a whole, with a positive environmental impact on every part of the supply chain. We distinguish the following three reasons:

7.1 REDUCTION IN CARGO LOAD

Products can travel in bulk to the store before they are packed for delivery to the end-consumer, while parcels travel thousands or at least hundreds of miles when shipped from a distribution center. With the latter method, a lot of air is transported, so that fewer products can be transported in one load. Ship-from-store transports cargo in a more efficient way, which reduces transport movements. Our research shows that when products can travel in bulk to the store before they are packed for delivery to the consumer, a factor five in volumetric is saved. Carbon emissions are reduced as a result, which in turn has a positive impact on the environment.

7.2 MORE ENVIRONMENTALLY-FRIENDLY MODES OF TRANSPORT

Because products are sourced from a brick-and-mortar store and delivered to consumers in just a few hours, there's no need to use polluting transport means like planes and/or vans. Products can travel the longest part of the supply chain by boat, train, and truck to supply stores, which have a significant lower impact on carbon emission than planes and vans.

7.3 SHORTER LAST-MILE

In traditional e-commerce logistics parcels travel hundreds, or at least, tens of kilometers before they are delivered. With ship-from-store, this can be reduced to a few kilometers. Because ship-from-store introduces a different logistics model than traditional e-commerce logistics, its impact on the environment not only positively influences the last-mile but the entire supply chain.

8. IMPROVED CUSTOMER EXPERIENCE

With ship-from-store you can adapt to your customer needs and increase customer satisfaction. As noted above, consumers increasingly value the speed of delivery of online orders and the degree of sustainability of businesses. With ship-from-store, sustainable same-day delivery can be achieved, which fulfills the expectations and wishes of your customers.

HOW TO IMPLEMENT SHIP-FROM-STORE

1. START WITH EXISTING DEMAND

Before starting with ship-from-store, you must check whether you have adequate demand. It is important to start with existing demand, instead of starting with the hope that demand will come. You should evaluate if you have online order demand in the trade area before implementing a ship-from-store fulfillment strategy.

2. CREATE AN OMNICHANNEL VIBE

Ship-from-store is an omnichannel solution that turns physical stores into active fulfillment centers. To create this omnichannel shopping experience, it is important that the shopping experience across all channels is user-friendly and that they are well coordinated. For this, it is necessary to blur the line between online and offline. This way, consumers can always shop at your business and use whichever channel suits them best.

3. STOCK VISIBILITY IS KEY

Related to creating an omnichannel vibe is the visibility of your stock. By linking the different channels, both online and offline, you prevent an incorrect representation of the stock in the different store locations. For example, if the website displays items that are out of stock in the store, it results in dissatisfied consumers. The success of your ship-from-store business is therefore directly related to the visibility of the stock.

4. USE OMS SYSTEMS

For a successful ship-from-store strategy, it is necessary to have efficient order management through an Order Management System (OMS). An order management system should provide an overview of the stock of all your store locations and route the request of an online order to the right store. Moreover, the OMS should send real-time updates on the status of the ordered products and real-time stock updates to the e-commerce website.

5. CREATE BACK-END AND FRONT-END PROCEDURES

The best way to start ship-from-store is by routing online orders in the vicinity (local and regional) of your stores to these stores for fulfillment and delivery. When routing orders to various stores from which the delivery can be made it gives a higher certainty that the order will be fulfilled in time. As soon as the order is fulfilled the consumer is informed and will be surprised how fast her online order will be delivered. When this back-end process works seamlessly it will be feasible to add a front-end procedure, where consumers will get the choice of a fast and sustainable ship-from-store delivery option in the check-out.

6. BUILD DATA TO BOOST (OFFLINE) SALES

A ship-from-store strategy gives a great boost to collecting geographical data about your orders and stock. This data provides better insight into the demand for items in specific store locations. This can be responded to by prominently offering these items in the store and at the same time, deadstock can be prevented. This way online sales and online data help to increase offline sales and at the same time improve ship-from-store volumes.

7. PROVIDE EMPLOYEE TRAINING

Finally, it is important to provide employee training. Work out which employee will be the best fit for each task in the store and the ship-from-store process, and train your employees. If there are more tasks than the current workforce can handle, consider hiring additional workers. Next, make sure your employees know and understand well how the process and systems work before implementing them. The simpler and more logical the new systems are for your employees, the better the results. If you work with a third party for delivery, make sure your employees know your logistics partner and the people who work there. This creates a streamlined process.

THE VALUE PROPOSITION OF STORESHIPPERS

StoreShippers is a ship-from-store logistics platform that focuses on sustainable and fast delivery from your store. With our platform, we offer a way to effectively turn your stores into e-commerce assets and compete with pure players on consumer expectations in terms of speed, sustainability, and convenience.

With our large sustainable ship-from-store network, we can service your stores around the world and realize localized and fast deliveries. With one tech integration, we give your company access to a world of localized delivery options. Moreover, you can leverage our consolidated volumes for the delivery of your parcels and rely on our operations team to manage the performance of our couriers and support your stores anywhere in the world.

StoreShippers adapts to your shipping needs by offering a broad range of services:

1. FULL RANGE OF DELIVERY OPTIONS

We provide all required delivery options from your stores to meet the need of your customers. We provide instant delivery (1-2 hour delivery), local and regional same-day delivery, scheduled delivery, and nationwide next-day delivery.

2. GLOBAL EXPANSION

Our network of local couriers is extensive, but does not yet cover every city and town in the world. However, we do have the ambition and will to support your company's presence around the world. With our operations team, we ensure rapid integration and implementation of new local carriers to support your store footprint.

3. TECH INTEGRATION

Shipping orders from stores and shipping orders fast is a different ball game than shipping orders from a distribution center and requires therefore another tech set-up. Besides a stock-check at store level, reliable ship-from-store solutions also require a coverage check and a smooth integration with your OMS and/or POS systems. StoreShippers has live integrations with various OMS and e-commerce systems to speed up the implementation of ship-from-store and has all the expertise and capacity to create a seamless integration with your systems. For an easy manual start and for various store functionalities we provide a dedicated web application.
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4. BRANDED NOTIFICATIONS

At StoreShippers we understand the importance of your customer experience. Therefore we offer a branded post-purchase experience through branded delivery notifications to adapt to your communication needs. We believe that the delivery experience should be owned by the retailer and that all the moments of contact during the delivery process should be branded and designed according to the wishes of the retailer and not the carrier.

5. END-TO-END CONTROL

In order to properly inform consumers and keep them informed of the progress of the delivery, we offer branded track and trace services that you can share with your consumers. Our local carriers' delivery events are harmonized by our team to provide a unified track and trace experience. This tracking link can be integrated into your branded emails and pushed to your liking. Scheduled delivery is optional.

6. STORE APP

For a quick start to ship-from-store or to test our services, we provide a web-based order entry application with various functionalities that can be used by your store employees. While the booking and track and trace process should be fully integrated with your OMS, it could be feasible to continue using the store app for additional functionality. These functionalities include multi-parcel booking, handling returns, and rebooking.

We believe that ship-from-store is the ultimate way to deliver e-commerce orders in a sustainable and fast way for the benefit of the company, the consumer, and the planet. It may not be easy to implement for every retailer, but if you have the same beliefs, we're here to help you implement ship-from-store on a global scale.

CONCLUSION

The future of e-commerce depends on its sustainability and efficiency. One of the components of e-commerce that has the greatest environmental impact is logistics. It is therefore not a question if e-commerce logistics should become more sustainable, but how.

Although there are many developments taking place within the sector to make it more sustainable, many initiatives mainly relate to the supply chain as we have traditionally known it. Little initiative is shown to change the supply chain as a whole, in order to structurally reduce carbon emissions per package.

INTRODUCTION BY FOUNDERS STORESHIPPERS

Pieter van den Hoven and Rijk van Meekeren are on a mission to make global e-commerce logistics more sustainable and faster at the same time. They simply don't understand why online orders are shipped from warehouses on the other side of the world, while the products could be delivered directly from local stores. Pieter and Rijk are on a mission to change the status quo. With StoreShippers they are building the logistics infrastructure to enable ship-from-store on a global scale.

Rijk founded B2C Europe in 2000 with the mission to simplify cross-border e-commerce by converting international shipments into national deliveries. B2C Europe is sold to Maersk. By co-founding StoreShippers, he wants to shorten the supply chain even further and source products directly from stores, and deliver straight to the end-consumer. Enabling sustainable bicycle deliveries, economical crowd-sourced delivery options, and boosting the market position of brick-and-mortar retailers.

Pieter has a background in financing SaaS companies at ING Bank and co-founded Tapp, a payment and data provider for the food and beverage sector. Pieter is intrigued by the potential and scalability of logistics with technology and data. He wants to enable stores, wherever they are, to connect with local couriers to collect and deliver directly from their store to the end-consumer.

The StoreShippers team built a tech platform onboarding local sustainable and same-day delivery couriers around Europe and the USA. They are now implementing micro fulfillment centers to create a hybrid network.

In this whitepaper, we share our knowledge about ship-from-store, how StoreShippers wants to change the status quo and how they will help retailers to implement ship-from-store on a global scale.

MEET STORESHIPPERS

StoreShippers provides sustainable urban collection services and sustainable same-day delivery in cooperation with bicycle couriers and other eco-friendly couriers around the world. It is the mission of StoreShippers to build a global sustainable ship-from-store network to connect global online visibility with local offline presence.

LET'S CONNECT

We ask bicycle couriers around the world to connect with our platform. Together we can boost sustainable delivery. We invite omnichannel retailers and pure players with an urban footprint to contact us. Let's boost ship-from-store!

Find and follow us on LinkedIn!

ANY QUESTIONS?

About the white paper please contact: nienke@storeshippers.com

Want to learn more?   Check out our global network and services, at www.storeshippers.com

Contact our sales team   sales@storeshippers.com

DISCLAIMER

The data in this whitepaper are gathered from public sources. The purpose of this white paper is to give a general impression of the environmental benefits of a ship-from-store strategy. Statistics are gathered by StoreShippers to improve and develop the ship-from-store carbon calculator.