

e-Commerce Logistics in Europe: Integrate or Stagnate



Dr. Roland Slegers, CEO DeliveryMatch

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- ✓ **Online Retail is here to stay**
 - ✓ **The level of operational excellence and automation of e-Commerce Logistic Chains is still way behind in perspective to the sales- and marketing side of Online Retail.**

**The following sales trends have
their impact on the Logistic
concepts- and operations**

- ✓ **Combining B2C and B2B sales**
- ✓ **Combining Online and Offline Retail**
- ✓ **D2C and D2B (dropshipping)**
- ✓ **Cross-border Sales, within Europe or Worldwide**
- ✓ **Sales via wholesales platforms (Amazon, Ebay, etc)**
- ✓ **Manufacturers also sell directly to consumers**
- ✓ **Large product ranges with large 'long tails'**
- ✓ **Wide range of physical product characteristics**
- ✓ **Online consumers expect their own specific 'SLA'**
- ✓ **So Multichannel and Omnichannel sales concepts are becoming more and more common**

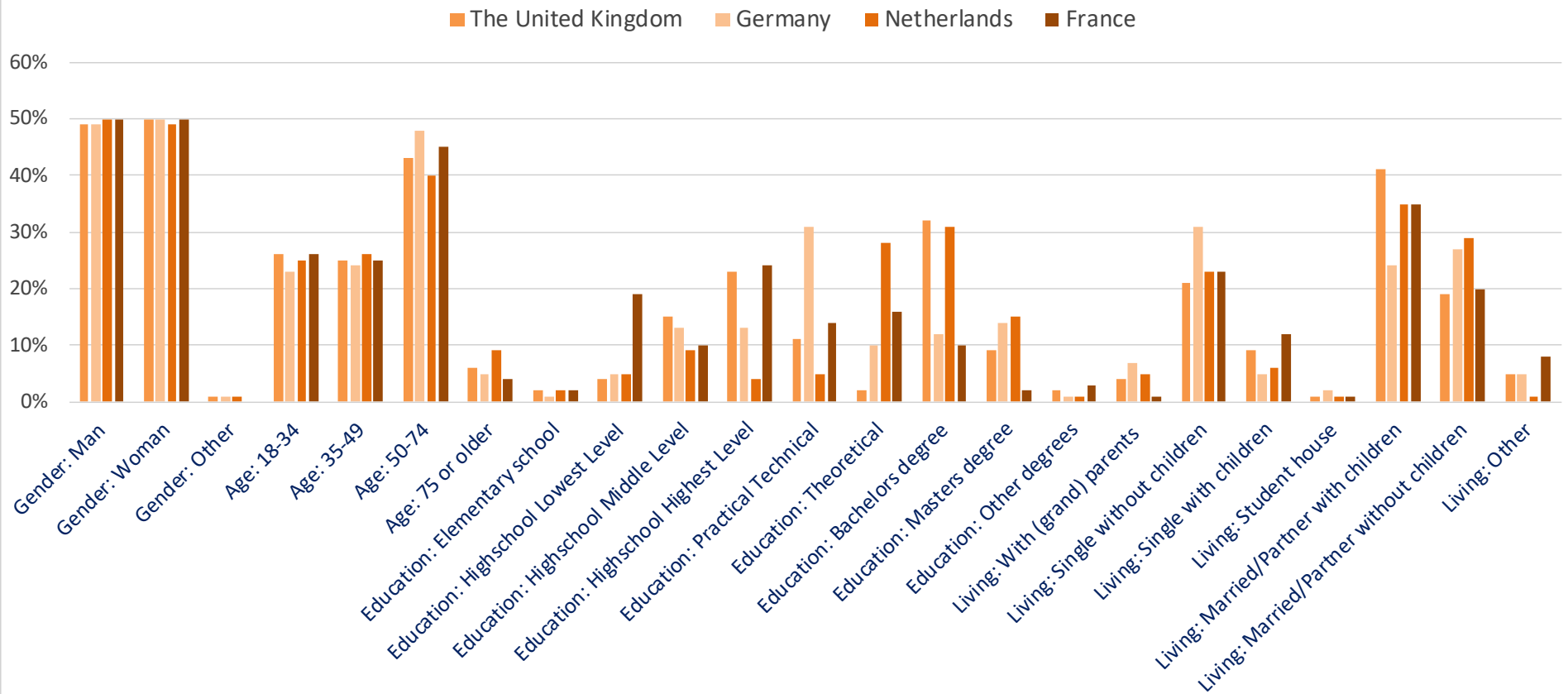
What is the current state of e-Commerce Logistics in Europe?

- ✓ Research in the UK, DE, FR and NL
- ✓ What Logistic services are offered in Online Retail? (Webonly, Multichannel, Omnichannel)
- ✓ What are the wishes and demands of the Online Consumer?

Research field Online Consumers

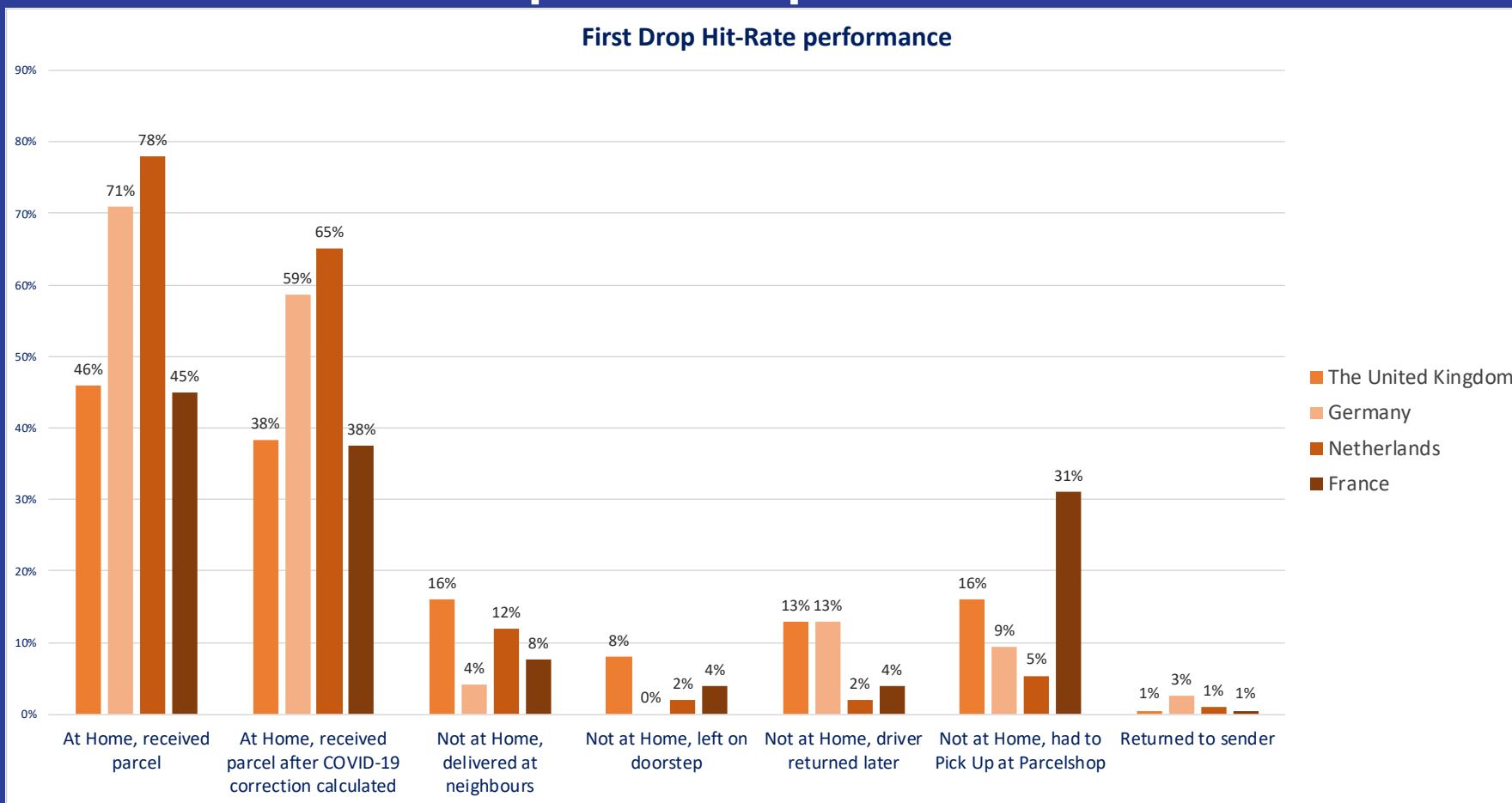
(N= minimum 1000 per country)

Demographic representation of consumers who participated in the survey



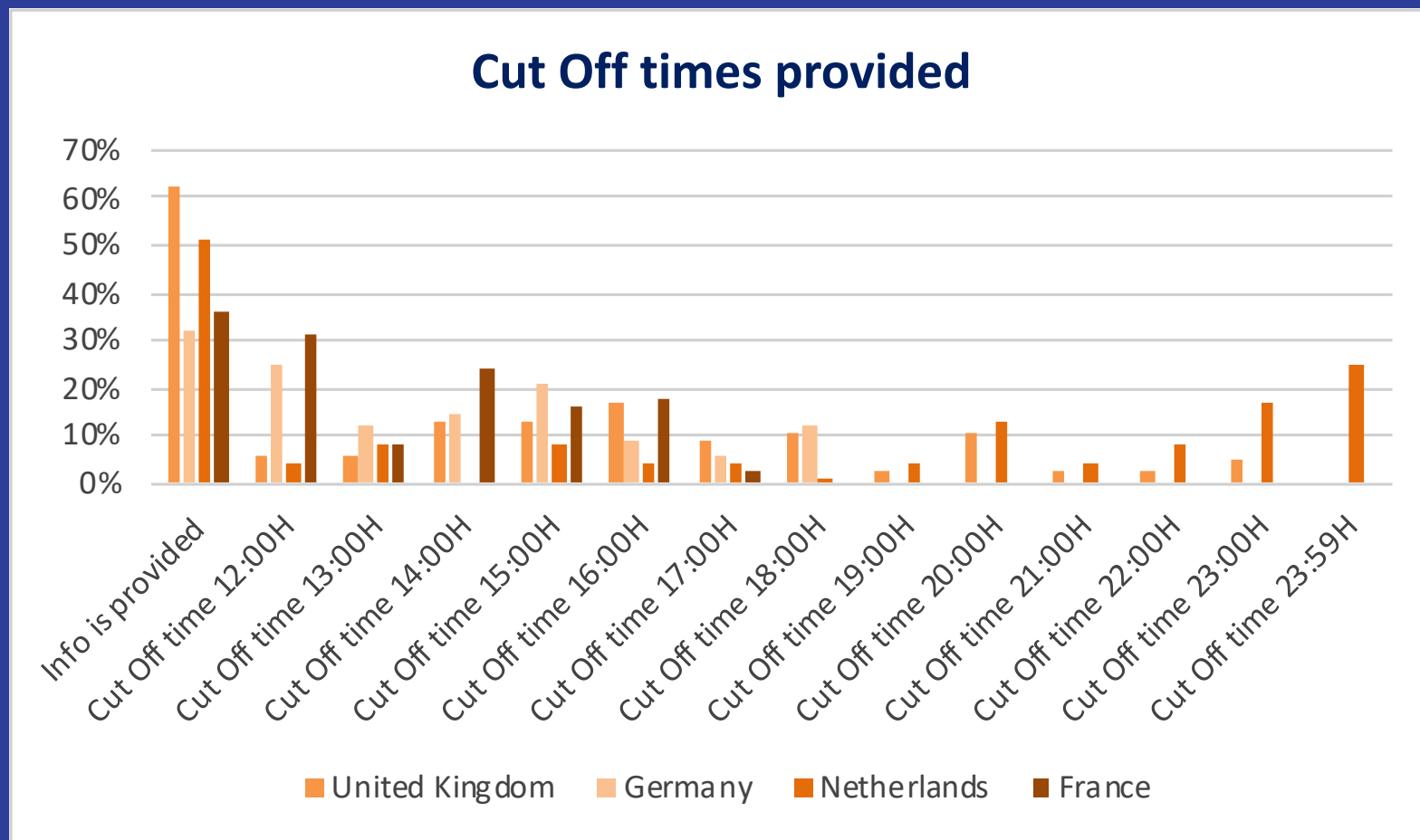
What do Retailers offer?

Drop Hit-Rate performance



What do Retailers offer?

Cut-Off times provided

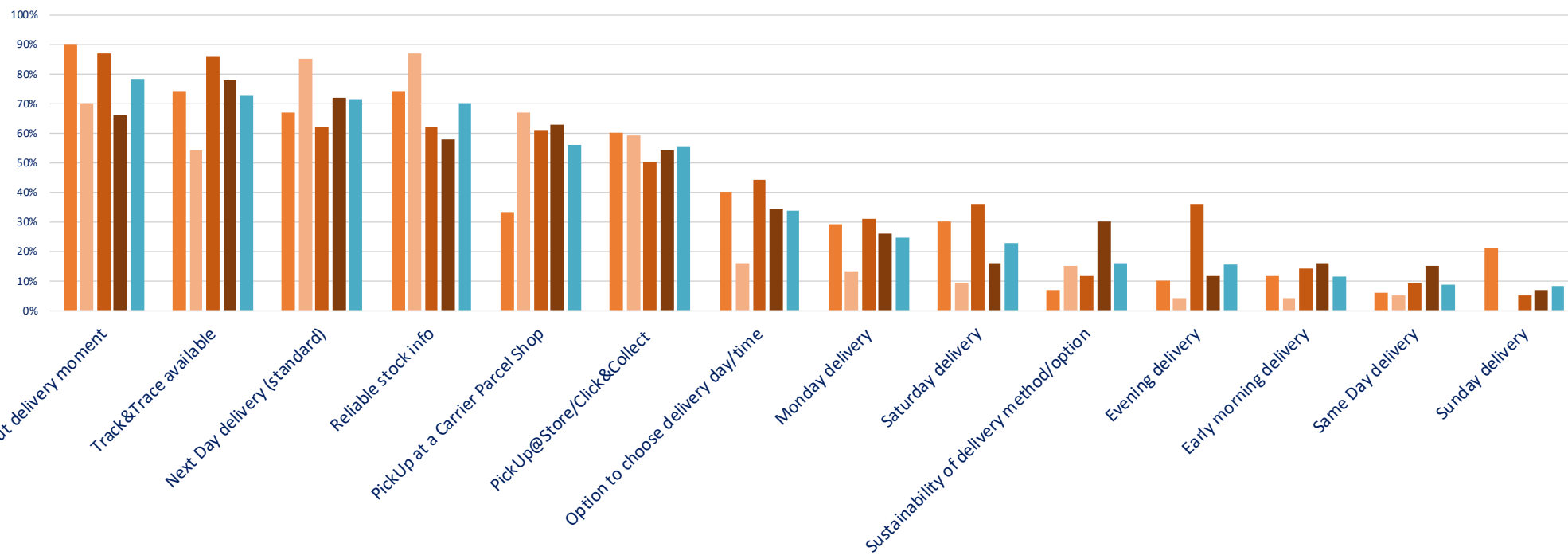


What do Retailers offer?

Logistic Services provided

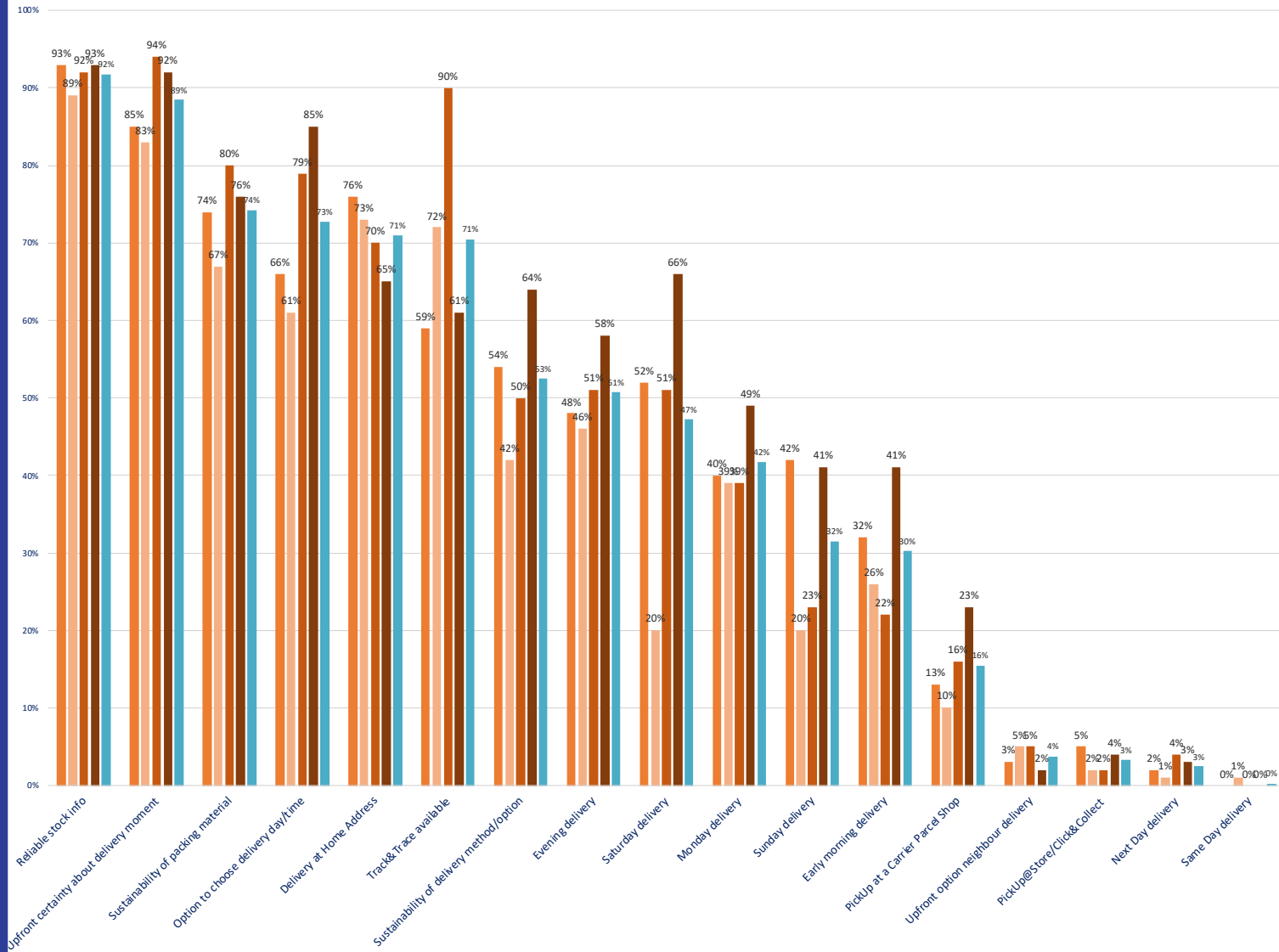
Webshop Logistic Services line up total overview

Webshops: United Kingdom Webshops: Germany Webshops: Netherlands Webshops: France Webshops: Average EU



Consumers line up Logistic Services from most- to less important

The United Kingdom Germany Netherlands France Average EU



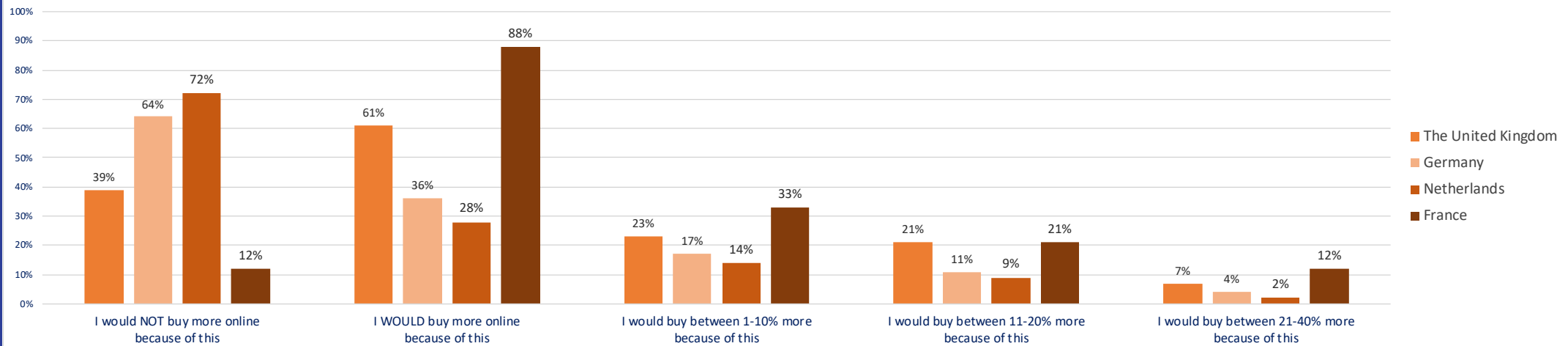
What do Consumers want?

Logistic Services line up

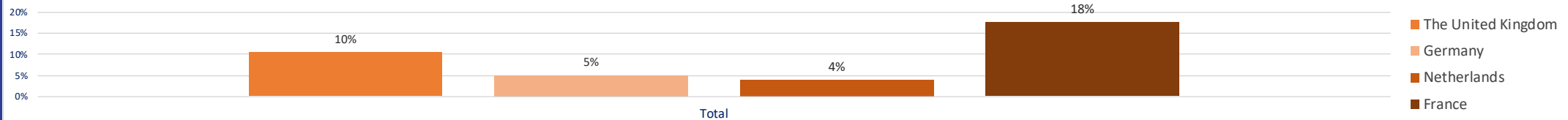
What do Consumers want?

Sales effects

To what extent would you purchase online more often if the Logistic services would match your needs and expectations?



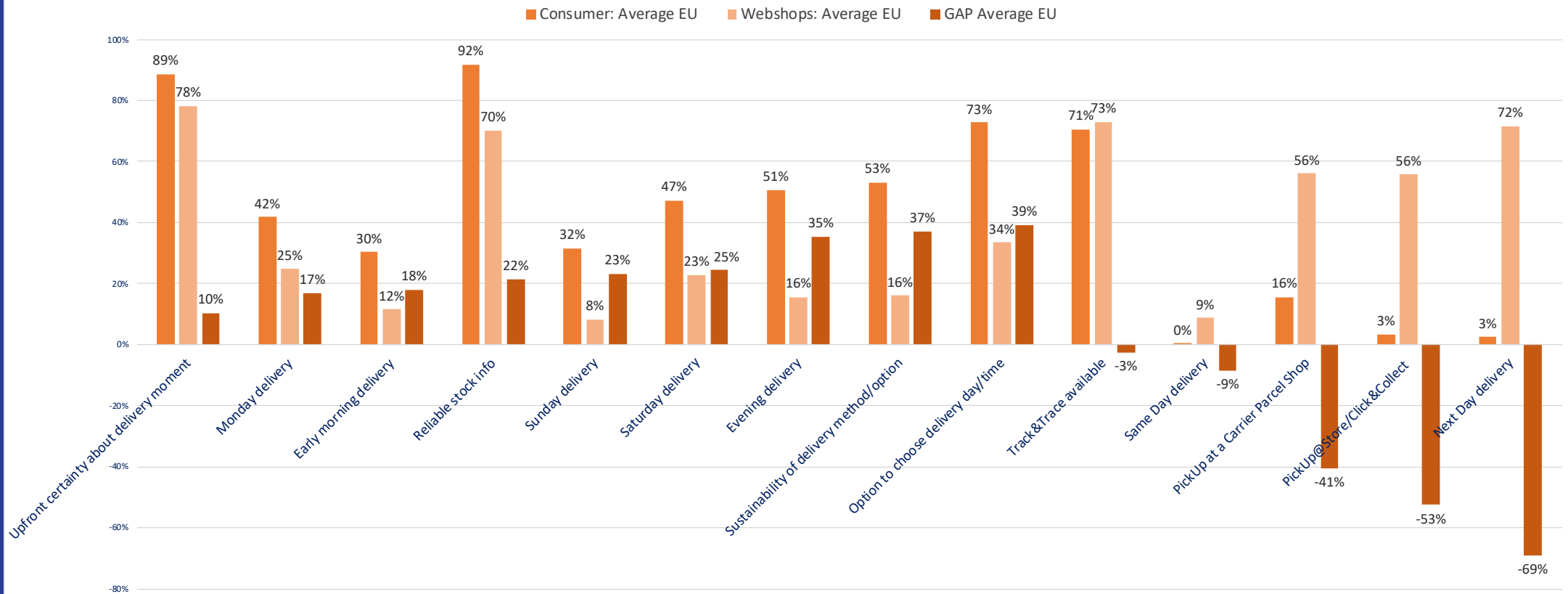
Sales/Turnover increase potential when the Logistic services would match the needs and expectations of online consumers



Retailers vs Consumers

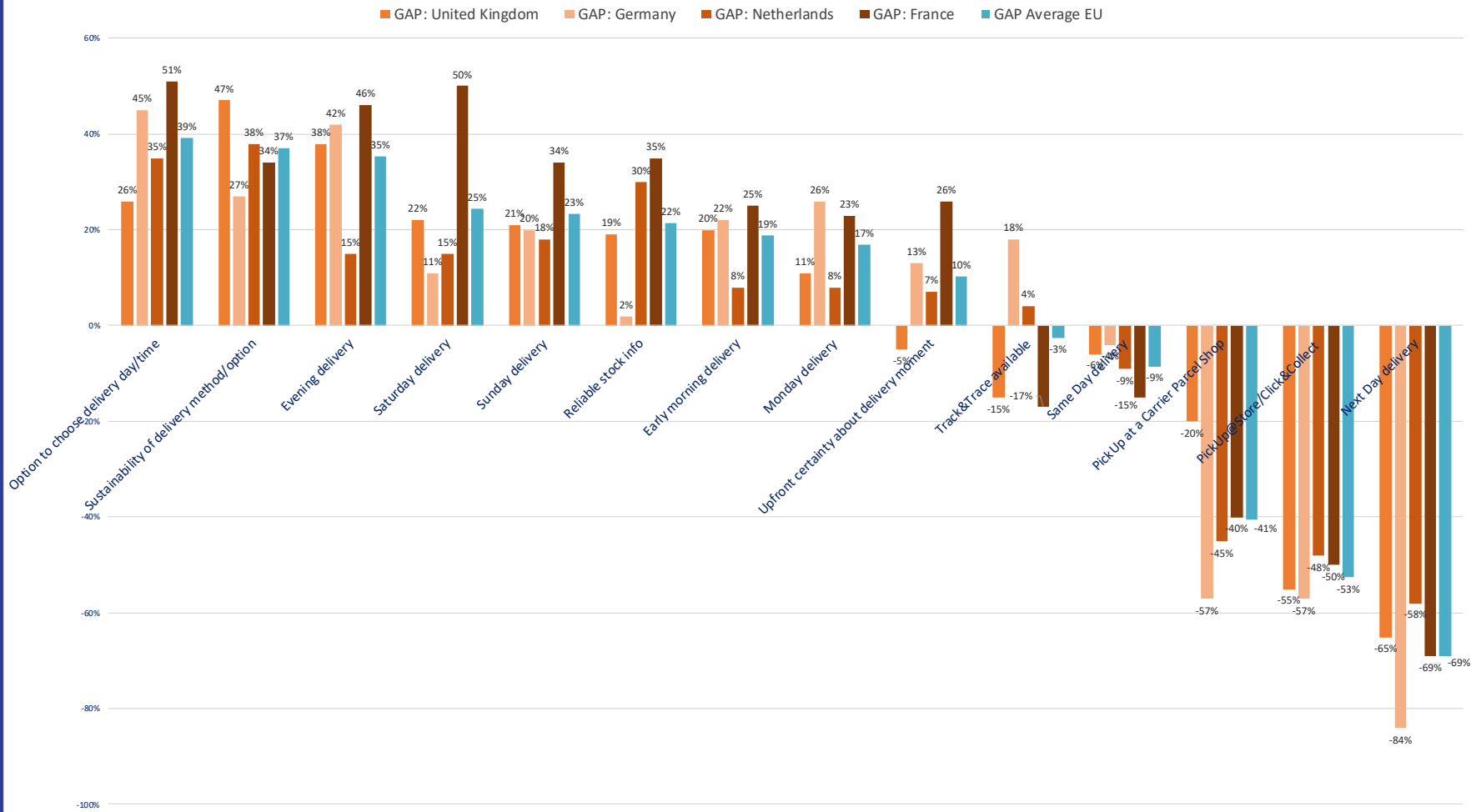
GAP line up average

Consumers vs Webshop GAP line up average "Europe"



Retailers vs Consumers

Consumers vs Webshop GAP line up total overview



GAP line up per country

Resolving these GAPS would:

- ✓ Increase sales through conversion and retention
- ✓ Decrease Logistic costs doing the things first time right and spreading volume
- ✓ Decrease CO2 output doing the things first time right and optimal use of capacity

What to do?

**Start managing following
Logistic key concepts from
checkout to doorbell!**

Key Logistic concepts during purchase process checkout

- ✓ Reliable stock information and article master data available (real-time)
- ✓ Real-time capacity management (WHS, pick-up, transit time, last mile)
- ✓ Shipping costs calculation (real-time)
- ✓ Optimal use of the logistic chain through PULL process instead of the current PUSH process

Result: Reliable Shipping and Delivery options!

How to do it?

Integrate!

(or Stagnate)

Independent chain control platforms



Independent chain control platforms

- ✓ Order Management
- ✓ Transport Management
- ✓ Shipping Management

OTSMS

(Order, Transport, Shipping Management Systems)

Independent chain control platforms

- ✓ **Visibility & management by real-time data collection**
- ✓ **Forecasting based on real-time & historical data**
- ✓ **Decision models based on real-time data**
- ✓ **Connectivity with all systems in the chain**
- ✓ **Capacity management (WHS & Transport)**
- ✓ **Stock management (what, where, how much?)**
- ✓ **Consolidation and/or split up of Logistic flows**
- ✓ **Cost calculation (WHS & Transport, Buy & Sell)**
- ✓ **Management & monitoring of execution in the Logistic chains**
- ✓ **Incident & exception management**
- ✓ **Reporting, communication & tracking**
- ✓ **Document generation**

Integration challenges



- ✓ Data
- ✓ Diversity
- ✓ Technical
- ✓ Waste

Data

- ✓ Spread over multiple sources
- ✓ No access and outdated
- ✓ Privacy legislation



Diversity

- ✓ B2B, B2C, D2C, D2B chains are combined
- ✓ Sales via a diversity of sales channels
- ✓ Variable needs of timing, services, volumes



- ✓ Multi-Carrier
- ✓ Multi-Warehouse
- ✓ Multi-Store



Technical

- ✓ Each sales platform has...
 - ✓ Each ERP has...
 - ✓ Each WMS has...
 - ✓ Each TMS has...
 - ✓ Each carrier has...

It's own technical specifications!



Waste

- ✓ Many processes are not executed first time right
- ✓ Limited consolidation of Logistic flows
- ✓ Much un-used capacity
- ✓ More CO₂ output than necessary

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