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Deloitte's Omnichannel Competitive Landscape Services Delivery Study



Introduction



Since the inception of online shopping, the perpetual question for most companies continues to be whether their customers care more about **the speed or the cost of delivery for their online orders.**

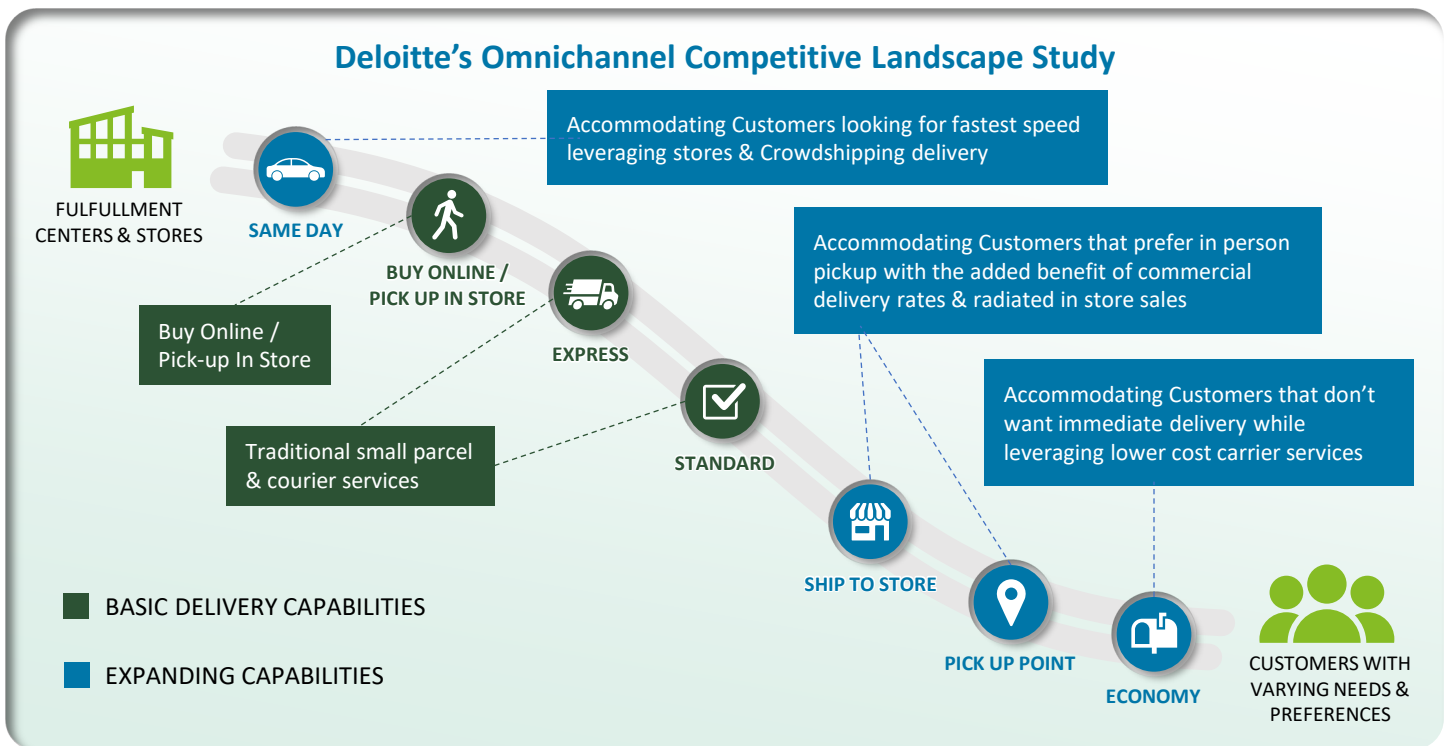
The ongoing conundrum for companies trying to answer this question continues to be how to meet customer expectations for delivery speed and cost **while maintaining profitable omnichannel growth.**

Throughout the year, Deloitte monitors the omnichannel delivery services offered by 145 global companies to establish year over year performance benchmarks and identify trends in delivery across the retail industry. We also test new delivery capabilities to understand how they actually work and perform.

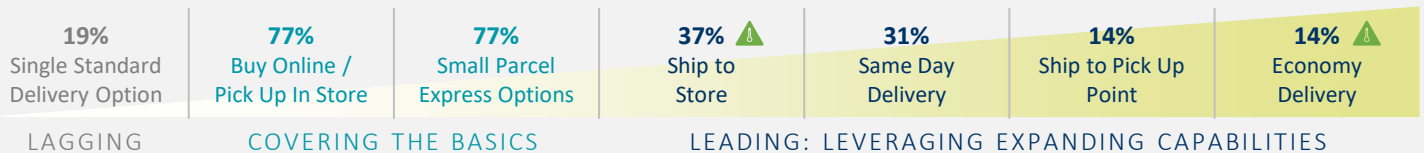
Based on our review of the delivery services offered across the retail industry, we've found **leading retail companies** are solving their external & internal delivery challenges by adding services that expand beyond basic Small Parcel Standard & Express options... **and these new delivery services target the needs of customers across the speed spectrum.**



Deloitte's Omnichannel Competitive Landscape Study



Delivery Services Offered by Global Retail & Consumer Product Goods Companies Researched



RAPIDLY ACCELERATING WITH A SIGNIFICANT INCREASE SEEN IN 2023!

Read On To Learn More About How These Expanding Delivery Capabilities Work & The Potential Benefits for Both Your Company AND Your Customers

Ship to Store



As we've seen since the introduction of Buy Online / Pick Up In Store, some customers prefer to pick up purchases they've made online in person instead of having them delivered somewhere. This can be driven by concerns with home delivery security and accessibility, or some customers may just want to see an item before they bring it home.

Having items shipped to your company's brick & mortar store accommodates these customers with the additional benefit of allowing customers to **shop every item your company has available instead of limiting them to sizes, colors & styles on-hand in their local store.**

Ship to Store can also lead to increased order value from additional in store purchases made at the time of pick up while simultaneously providing delivery expense savings.

How Ship to Store Frequently Works



WHY COMPANIES LIKE SHIP TO STORE



Incremental sales from network inventory and radiated in store sales



Carrier delivery expense savings through commercial services without residential surcharges



Opportunity for additional delivery savings where internal shuttle fleets can be leveraged

WHY CUSTOMERS LIKE SHIP TO STORE



Customers who prefer an in-person pickup experience can shop an entire company's inventory



Safe & convenient option for urban customers with security concerns or rural customers with limited home delivery



Often offered as a free or lower-cost alternative to home delivery

Deloitte's Performance Test Results....

Although most companies indicate Ship to Store could take longer than Standard Home Delivery, our actual Ship to Store performance tests showed that on average orders were ready in 58% less time than indicated... 2 days faster than the median for Standard Home Delivery orders placed on the same date

Same Day Delivery



Since there will always be customers with immediate needs, some companies are leveraging their store inventories that are close to customer markets to provide Same Day or Next Day options using **3rd Party or internal Crowdshipping for the last mile**.

Although Same Day delivery most often requires stores and offers a limited product assortment, it is less expensive for companies and usually less costly for customers than small parcel carrier express services... **and deliveries can be made as long as stores are open, sometimes 7 days a week**.

How Same Day Delivery Frequently Works



Customer shops local store inventory for items that are available for Same / Next Day delivery



Local store selected by customer picks and packs the items on the order



Package is tendered to an internal driver or 3rd Party Gig Economy service



Packages can be delivered within hours and on days when small parcel carriers don't operate

WHY COMPANIES LIKE SAME DAY DELIVERY



Inventory available in local customer markets is leveraged



Less expensive than small parcel express services with less restrictive sorting & scheduling



Orders can be filled and delivered every day stores are open

WHY CUSTOMERS LIKE SAME DAY DELIVERY



Provides a delivery solution for last minute or urgent shopping needs



Is often offered at a lower cost than small parcel express options



Gig economy carrier services can deliver orders from multiple stores at one time



Same Day B-2-B Opportunity

Companies with a mature internal crowdshipping network can increase the profitability of these operations by offering their same day delivery services to other companies

Ship to Pick Up Point



Having customers pickup online purchases made with one company at another company's store may seem like a competitive faux pax, but it can offer companies and customers **similar benefits to Ship to Store with an additional Business-to-Business opportunity.**

Leveraging another company's brick and mortar store footprint expands the opportunity for in-person pickup for pure play E-tailers or companies with a smaller store network. Being a **Host Company** for another company's pickup customers can **expand your current core customer base and generate radiated sales in your stores.**

How Ship to Pick Up Point Frequently Works



Customer shops network inventory and designates another company's store as ship to location



Optimal fulfillment center or store with the items on hand fills the customer order



Package is shipped using 3rd party carrier commercial service



Package is delivered to designated **host company's store** & customer is notified the order is ready



Customer picks up their order from the company they shopped & **potentially makes purchases in the host company store**

WHY COMPANIES LIKE SHIP TO PICK UP POINT



Expanded brick & mortar store footprint to engage customers who prefer an in-person experience



Carrier delivery expense savings through commercial services without residential surcharges



Radiated in store sales and an expanded customer base for Host Companies

WHY CUSTOMERS LIKE SHIP TO PICK UP POINT



Can accomplish multiple shopping needs in a single store trip



Increased opportunity for urban & rural customers to receive a safe & convenient delivery experience



Service costs and speeds offered are comparable to Standard Home Delivery



47% of customers

who go to a store to pick up an online order will purchase additional items while they are in that store¹

Economy Delivery



There are customers who are not only willing to wait for slower delivery speed but would prefer it. For these customers, **delivery that is too fast can actually be an inconvenience** as an unattended package delivered when they are not at home is susceptible to theft or weather damage.

Expanding delivery services to include slower Economy options can appeal to both cost-conscious customers as well as those who don't want rapid delivery. Leveraging every one of these customers can be a **delivery expense savings and operational performance improvement opportunity for companies**.

How Economy Delivery Frequently Works

<input checked="" type="radio"/>	Economy / No Rush Arrives by Wednesday May 15	\$5.00
<input type="radio"/>	Standard Arrives by Thursday May 9	\$8.00
<input type="radio"/>	Express Arrives by Monday May 6	\$25.00

Customer selects an Economy Delivery option at online checkout



Fulfillment locations hold off processing economy orders until all express & standard orders have been completed



Small parcel carrier picks up package from fulfillment location



Package is handed off to a postal service to complete the last delivery leg

WHY COMPANIES LIKE ECONOMY DELIVERY



Delivery expense savings through use of hybrid small parcel / postal carrier services



Operational efficiency & performance improvement gained by prioritizing order backlogs based on delivery service requirements

WHY CUSTOMERS LIKE ECONOMY DELIVERY



Is usually offered at a lower cost than standard home delivery service... **and is frequently free**



Alleviates concerns for lost, stolen or damaged packages when other delivery options are too fast

Economy Delivery Impact

6% of the companies we reviewed also indicated their **Economy delivery options have reduced carbon emissions** vs. standard or express services. As a result, Economy Delivery can also...

- Engage environmentally-conscious customers
- Promote companies' strategic sustainability missions

About Deloitte's Omnichannel Competitive Landscape Services



We research & test omnichannel services offered by 145 global companies collecting over 70 data points across the customer journey. We then apply intelligent analytics to our data to establish year over year performance indicators and identify new emerging trends.

Who is Included in Our Studies

145 global companies



SPECIALTY RETAILERS	42%
WHOLESALE BRANDS	28%
DEPARTMENT STORES	7%
FAST FASHION	7%
DISCOUNT & OFF-PRICE	6%
BIG BOX & MASS MERCHANTS	3%
CONSUMER PRODUCTS	3%
RESALE / CIRCULAR MARKETS	3%

Company Statistics

Annual Revenue (Billions)

20%	32%	23%	10%	6%	3%	5%
Under \$1	\$1 - \$4	\$5 - \$9	\$10 - \$24	\$25 - \$49	\$50 - \$99	Over \$100

Headquarters

37%	26%	19%	14%	2%	2%
Eastern US	Western US	Central US	Europe	APAC	Canada

Markets Served

100%	53%	52%	51%	48%
North America	Europe	APAC	Other Regions	Central / South America

Years in Business

19%	26%	33%	21%
Under 25	25 - 49	50 - 100	Over 100

Brick & Mortar Stores

14%	6%	14%	17%	10%	16%	23%
None	Under 25	25 - 99	100 - 249	250 - 499	500 - 999	Over 1k

HOW WE COLLECT OUR INFORMATION



Research company store policies & online service offerings



Conduct store shopping, online order & return performance tests



Advanced analytics to identify performance levels and capability trends



WHAT THIS ENABLES US TO SHARE



Key omnichannel performance benchmarks across retail industries



The end-to-end global competitive landscape



The optimal post purchase journeys for your customers



Want to Learn More About Where Your Company Resides in the Omnichannel Competitive Landscape Spectrum and How Deloitte Can Help You Advance Your Delivery Capabilities?

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Endnotes:

¹ [BOPIS Study](#)



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