

shippit

Hypergrowth and the On- Demand Delivery Economy



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Intro

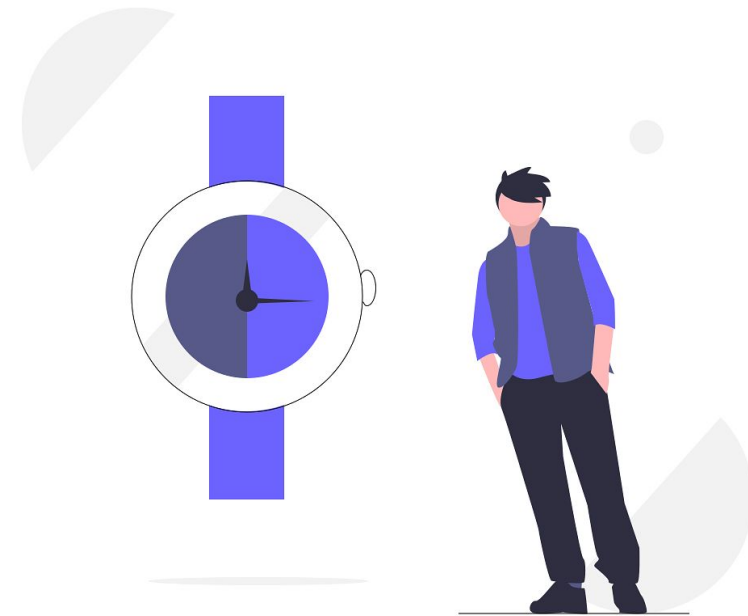
Ever roll your eyes the very instant you heard your grandparents say “back in my day” only to realise years later they were actually right about something?

New technologies are said to be the next best thing, promising to change our lives for the better.

Our grandparents are right: Times *are* changing and we’re at the cusp of the intersection between technology and growing consumer demand.

Customers want fast and cheap delivery for everyday items, and those retailers that innovate will be the first to grab the hearts and minds of shoppers.

Here, you’ll see why there is hypergrowth in online shopping, and how every day delivery services like Uber Eats are shaping customer expectations for fast, free delivery.



Ubereats changed more than our eating habits

Definition: On-demand deliveries

The process of aggregating fast delivery services and local delivery services to bring products to customers immediately after purchase.



The average delivery cost is

\$5



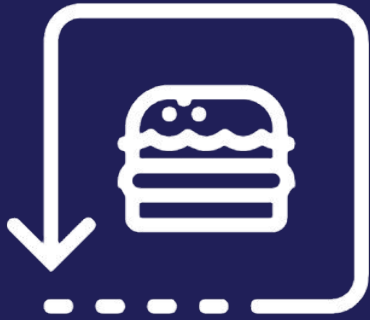
1 in 5

Australians have used Uber Eats



The average delivery time is

32 mins



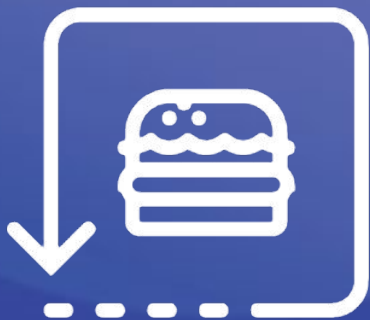
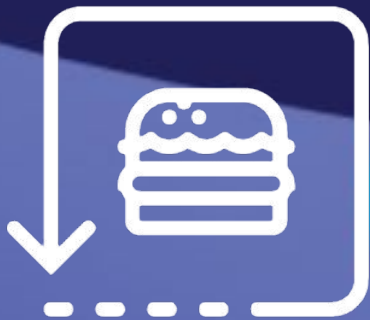
Eliminating friction from the customer experience enabled Uber to grow as fast as Amazon. When Uber first launched in 2009, they were competing against a very rigid and antiquated taxi industry.

Uber's customer experience hands-down beat the experience provided by traditional taxi drivers; hailing a ride was instant, the driver now automatically knows the rider's destination, the route is tracked and recorded, and payment on the completion of the trip is automated.

Fast-forward five years and Uber introduces Uber Eats - the now famous online menu that delivers us our favourite meals in less than 35 minutes.

Now it's part of our everyday routine to summon an Uber driver while ordering a burger; all without having to manually add credit card details or enter your address.

The Uber shopping experience is seamless, slick, and sought after by customers in more areas than hailing a ride or ordering a quick bite, and an Uber-like parcel delivery experience is slowly trickling into online checkouts and carts all across Australia.



Sale season will never be the same

Remember the ferocious frenzy that once encapsulated boxing day sales?

Do you remember getting stuck in a calculating crowd foraging through store shelves for a bargain?

Maybe it's too long ago now, as sales season now resides within the coupon codes in our inboxes and social media feeds. We've pushed the urgency of Boxing Day sales out and have replaced them with the more familiar online shopping events like Black Friday, Prime Day and Singles day sales. Unsure why you've experienced a sudden drop in foot traffic? Customers are holding out until Country Road offers 20% off storewide including free shipping.

In 2018, Singles Day generated \$1.3 billion worth of sales in just 25 seconds and \$41.4 billion in 24 hours

Source: [CNBC](#)



While we dust our hands, sit back and assume the case is closed on the domination of online sales compared to physical store sales – there is one very important factor that is holding the eCommerce sales experience back: logistics.

Ensuring a flawless delivery experience for millions of shoppers is really hard. Alibaba faced warehousing issues, network partner constraints, and they needed to upgrade their payment and delivery infrastructure to handle the demand.

And it's only going to get worse:

Global shipping volume is set to reach 100 billion by 2020

That's 2,300 parcels getting shipped every second. And it's 22 parcels per person every year.

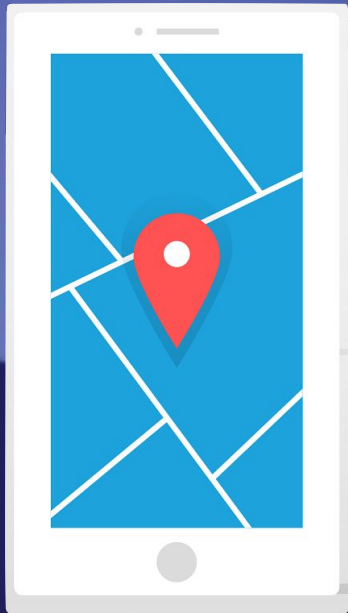
In 2017, Alibaba was able to deliver 812 million orders in 24 hours, and Amazon Prime promises eager shoppers with 2 hour delivery on the day of purchase.

You might be wondering how it's possible for Amazon to deliver an order within two hours of purchase when it takes you at least 2 hours to pick, pack, and manifest your orders. And you won't be the only one wondering this.

The Alibaba's and Amazon's of the world aren't fulfilment wizards – they've just got their logistics network and automation technology figured out to a T.

Is your tech stack ready for hyper growth?

All signs in eCommerce growth are pointing in one direction: A seamless, omnichannel shopping experience that provides cheap and fast shipping with real-time/live map tracking. But how can retailers get there? Below are the steps you need to complete before offering on-demand deliveries:



Single view of inventory

Before any retail can embark on the journey that promises fast, on-demand deliveries for customers, they have to first attain a single view of inventory across all sales channels. Getting an accurate view of inventory everywhere gives customers more flexibility when it comes to picking up in store, Click-and-Collect, and ensuring inventory can be shipped from the closest location to the customer.

Unified pricing

Ever searched online for a bottle of wine to find it on sale on the website, but then on going to the store to purchase it, it's not on sale? When a customer chooses to purchase from us, they expect the pricing to be the same wherever they shop. To keep it simple for customers, ensure to use the same price on every channel. This removes barriers to purchase and build a consistent brand image with customers.

Omni-channel payments/refunds

When it comes to collecting payment, it's important to understand the difference between multi-channel payments and omnichannel payments:

Multi-channel: Different payment options on different channels

Omnichannel: A unified payment experience across all channels

Omnichannel payments make it possible for customers to purchase online from you, lodge an in-store return and for everything to be transparent and clear on the customer's account.

Click & Collect

Omnichannel shoppers are more profitable than single-channel shoppers and allowing in-store pickup is the perfect way to bridge the gap between online and in-store shoppers. For this to work seamlessly, customers need to be able to check inventory and stock at their closest location.

Ship from store

The next step after establishing click-and-collect is enabling fulfilment capacity from your physical stores. Using your stores as mini-distribution centres offer a multitude of benefits, including:

- Faster delivery & lower shipping costs
- Higher stock turnover
- Same day delivery
- An endless aisle of inventory for shoppers



Same day / on-demand deliveries

Once all your inventory and fulfilment processes are unified, the next milestone is to offer same day and on-demand deliveries. Once you can allocate stores and warehouses as the closest despatch location from the customer, you can begin to partition on-demand and same day deliveries from standard deliveries to save time.

Unsure where to start? Here are a few fast delivery services you have access to in Shippit:

Same day couriers: Allied Express Same Day, Bonds

On-demand delivery service: Drive Yello

Looking to add more couriers to your checkout? Get in touch with the Shippit team to see how easy shipping with more couriers can be.



On-demand deliveries at the checkout

There are two distinct phases of online shopping that everyone goes through:

1. Get the best deal for the items I'm looking for
2. Get the best shipping price. And if that means finding a different supplier, so be it! I'm not spending \$20 to receive my items in two weeks!

Delivery options are at the forefront of shoppers minds before they commit to the purchase, so offering as much flexibility at the checkout as possible is one critical way to increase your conversion rate and reduce abandoned carts.

Still sceptical that shipping options are one of the biggest contributors to abandoned carts?

23% of shoppers abandon carts due to unsatisfactory delivery options

In 2018, 75% of carts were abandoned. Convenience is leading eCommerce, and customers expect to be served on their own terms.

Let's look at retailer BWS who are going above and beyond for their customers in the delivery space:

BWS & trends in the fast alcohol delivery

BWS (Beer, Wines, Spirits) by far leads the charge when it comes to flexible and on-demand delivery options at the checkout.

On top of promoting fast delivery on their homepage, BWS is leading the on-demand delivery experience compared to many retailers.

The screenshot displays the BWS checkout interface. At the top, there is an orange header with the BWS logo and a 'Need help? Call 1300 138 297' link. The main content is divided into three columns: 'Order Details', 'Review Order', and 'Payment Method'.


Order Details: This section offers two delivery options. 'Pick up in store' is selected with a radio button and is described as 'ASAP for free'. 'Get it delivered' is also selected with a radio button and a checkmark, described as 'ASAP or when it's convenient for you'. Below this are 'Recipient details' fields for First name, Last name, Mobile number, and Date of birth. There is also a 'Your address' section with an 'Enter address' field and a 'SAVE ADDRESS' button.


Review Order: This section shows a single item: 'Mount Pleasant Elizabeth Semillon' for '1 bottle x \$27⁰⁰' with a total of '\$27⁰⁰'. There is a 'CONFIRM' button and a coupon code field with an 'APPLY' button. A 'Subtotal: \$27⁰⁰' is shown with another 'CONFIRM' button.

Payment Method: This section shows the order breakdown: 'Order subtotal \$27⁰⁰', 'Delivery \$10⁰⁰', and a 'Total to pay: \$37⁰⁰' (incl GST).

BWS shoppers have full flexibility to pick up in store, get fast 90-minute delivery or choose their own delivery time slot that is most suitable for them.

When do you need it?

 **ASAP**
Delivered in approx. 1hr 20mins

 **I'll choose a time**
Tell us when you want it delivered

Please note: Your order will be delivered within 30 mins of your selected time

Today, July 2, 2019 ▶

Wednesday, July 3, 2019 ▶

Thursday, July 4, 2019 ▶

Friday, July 5, 2019 ▶

Saturday, July 6, 2019 ▶

Sunday, July 7, 2019 ▶

Monday, July 8, 2019 ▶

>> Delivery times and date are confirmed on cart completion

>> Customers can schedule their delivery time for when it suits them

Bill to: ADD
Same as my delivery address

Delivered from: EDIT
BWS Glebe
14-18 Bridge Road
Glebe NSW 2037

Delivery time: EDIT
Tuesday, July 2 at 7:00PM

Please note: Your order will be delivered within 30 mins of your selected time


Instructions:

Any instructions for the driver?


Would you like your drinks chilled?

And if that wasn't good enough, they offer all these delivery options for just \$10.

Order Details

 **Pick up in store**

ASAP for free

 **Get it delivered**

ASAP or when it's convenient for you

Recipient details


First name

Last name

Mobile number

Date of birth

Your address


Enter address 

[Enter my address manually](#)

SAVE ADDRESS ▶



>> Customers can choose to pick up in store or get their items delivered ASAP.

Subtotal: **\$27⁰⁰**

 **CHECKOUT**

Pick Up

Shop online, collect in-store for free within 30 minutes

 **Mount Pleasant** 

Elizabeth Semillon

1 Bottle: [edit quantity](#) **\$27⁰⁰**

25% off selected wine in any 6 or more*

Subtotal	\$27 ⁰⁰
Delivery	\$10 ⁰⁰
Total:	\$37⁰⁰
	Incl GST

[Empty cart](#) [Continue shopping](#)

On-demand delivery tracking

Did you know that 66% of shoppers will not return to online sellers that provide a subpar delivery experience?

Bad delivery experiences kill brands, and online shoppers won't hesitate to lambast businesses with a laggard delivery process on social media.

There's no need to panic though. Let's look at it from our customer's point of view:

Mary's been busy with long hours at work and organising her engagement party, but she suddenly remembered there's a baby shower she needs to attend in a few days and she doesn't have the time to go and purchase a gift; after all, who has time to browse these days?

In a heated frenzy, Mary searches online for newborn gifts with fast delivery. Thank the heavens! The Baby Gift Company delivers Australia wide for just \$9.95. Mary adds a few neutral coloured playsuits to her cart, confirms her shipping details, selects express shipping (which is a bit extra but she needs it), adds gift wrapping for \$5 extra, confirms, pays, and gets back to work knowing her gift is now settled.

Fast forward to the day of the baby shower and there's still no sign of her gift. Mary checks her email for the shipping notification; it says the estimated delivery date was yesterday but her shipping status still says 'processing order'.

Mary is furious at the Baby Gift Company! Not only did she not receive her gift on time, but now she has to find a local place with baby gift options, and then she has to get a refund for her late delivery while also trying to find the time to ship the items back.

How was Mary's delivery experience? 1 star; never buy from the Baby Gift Company! And don't forget the onslaught of heated social media statuses she posts.

on-demand deliveries come with one shipping requirement - live-map tracking. Customers expect to be able to track the status of their delivery so they can plan their day. Think of it: Have you ever ordered UberEats *without* checking the location of your driver on the map?

Team Shippit believes this is enough evidence to audit your current delivery experience and call out where the biggest customer pain points lie. Are you delivering on time? Are you offering transparent tracking updates?

If yes: Great! You're ready to take the next step and offer on-demand, same day delivery for customers.

If no: No stress! Shippit has a team of experts to audit your shipping process and can make recommendations based off where your biggest shortfalls are. [Get in touch](#) with our team and start delivering better shipping experiences.



The Wrap

On-demand deliveries are fast becoming a standard requirement for customers thanks to the advent of food delivery apps like UberEats.

Future-thinking retailers are already beginning to introduce on-demand, 90 minute deliveries at the checkout in the hopes of capitalising on different customer types.

There's no turning back at this point: eCommerce and on-demand deliveries are becoming synonymous with one another. So what should retailers do?

The answer to offering a seamless on-demand experience is complicated, but we've broken it down into a few key milestones:

1. Get a unified view of all inventory in all sales channels
2. Unify your pricing strategy across all channels
3. Enable click-and-collect
4. Utilise your physical stores as mini distribution centres
5. Enable a same day shipping and on-demand delivery service



Ready to offer on demand 90 minute shipping?

Tap into discounted rates with standard, same day and international couriers to sell and ship anywhere with the cheapest or fastest courier for every order

GET IN TOUCH

