

**ORDER
ONLINE.**

**PICK
UP
HERE.**

THE BOPIS REVOLUTION

NAVIGATING THE NEW NEVER NORMAL

A SERVICE FRONT

If planned properly, the “Buy Online, Pick Up in Store” - or BOPIS - fulfillment model is a valuable tool in the competitive e-commerce space.

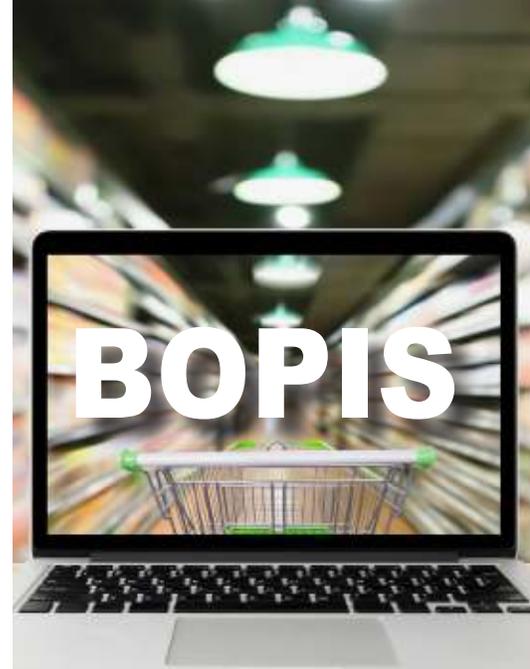
A BOPIS strategy fortifies a shipper’s brand equity by consistently satisfying the retailer’s replenishment needs. Retailers add a layer of customer convenience and gain additional sales from online shoppers who buy more items once they arrive at the store. Last-mile delivery costs, which today account for up to 20 percent of a product’s total shipping charges, are reduced because the customer is going to the product, not the other way around.

The devil is in the execution.

Delivering an elevated client experience relies on mastery of the many variables comprising a successful BOPIS program.

- Retailer visibility into supplier production and replenishment flow.
- Inventory management to support order fulfillment when - and where - the customer arrives.
- Cost management to align service levels, customer expectations and financial goals.

An optimal experience, both in-store and online, builds brand loyalty and strengthens the bonds between shippers, retailers and the shared customers you serve.





BOPIS FOR THE HOLIDAYS... AND BEYOND

We are in a changed world of retail fulfillment. The traditional binary model of product flow from the manufacturer to the distribution center to the store is being replaced by the “buy anywhere, get anywhere, from anyone” paradigm. The migration was apparent before the COVID-19 pandemic. It will only accelerate in its wake.

Inventory visibility is paramount. Retailers need to manage replenishment flow effectively to protect inventory for the in-store experience. They also must ensure sufficient goods are available to support online growth. Visibility capabilities tested during the pandemic will come under more pressure during peak shipping seasons, when the traditional holiday-buying frenzy converges with elevated e-commerce activity.

BOPIS and its cousin, the “Buy Online, Pick Up At Curbside” (BOPAC) model, will be more prevalent than ever during the 2020 holidays. These are not just holiday fads. They will far outlast the pandemic. Many consumers accustomed to - and delighted with - their BOPIS and BOPAC experiences may never shop in a physical store again.

Welcome to the “New, Never Normal.”

It is time for shippers and retailers to think differently. And get expert logistics help in the process.

COST IS OUT, CUSTOMERS ARE IN

A key reason consumers commit to store pick-ups for an online order is so they can sidestep delivery delays - which have become more common during the pandemic. Effectively, the consumer is exchanging their time for more control.

A failed BOPIS transaction leaves customers feeling frustrated and betrayed. Your retail website assured them the product was in stock and would be ready when they arrived. When that does not happen, valuable time is wasted, and so are the consumer's efforts to take control. Most important, a covenant of trust with the retailer, and by extension, the shipper, has been broken. One negative experience could end in a never-again customer.

For the past decade, the top priority has been to cut supply chain costs. Today, it is all about putting the customers' needs first to protect and grow the top line. When it comes to BOPIS, doing that means having the right product as close as possible to the customer's desired pick-up location as soon as the order is received.



Hyper-digitized social media can spread word of a subpar encounter like wildfire. Regardless of their reason, BOPIS-related stock-outs can quickly deflate the brand power of shippers and retailers. The objective of the shipper and the retailer is to skirt those negative outcomes and create brand sticky for the mutual customer.

A glowing hockey puck is shown on an ice rink, with a goal visible in the background. The scene is illuminated with blue and red lights, creating a futuristic or high-tech atmosphere.

NEW TERRITORY REQUIRES NEW SUPPORT

Beyond the transaction, retailers are leveraging deep analytics and Big Data to forecast customer demand based on online viewing and buying behavior. It is the last-mile version of “skating to where the puck will be, not to where it is,” in the words of hockey great Wayne Gretzky.

Whether you ship or sell goods, it pays to be honest about your core competencies and your limitations. BOPIS is unfamiliar turf to many shippers and retailers. It is easy to underestimate the costs and complexities to manage any end-to-end final-mile process.

The shipment, the driver, the tracking technology, online platforms and consumers’ electronic devices all must be synchronized in real-time. One misstep can result in an unprofitable outcome for the shipper and the retailer, and a negative experience for the end customer.

It is important to know that BOPIS is a new environment for many third-party logistics providers. The model requires new tools, and a new understanding of how they are used. Designing and optimizing a client’s BOPIS supply chain requires a different approach that is uncharted territory for many 3PLs.

WE CAN HELP

A fully engaged logistics partner levels the playing field.

Strong final-mile logistics specialists possess decades of retail network design knowledge, mastery of visibility and analytics software, and deep expertise in the carrier environment.

An expert partner knows how to evolve your solution in ways that:

- Drive end customer satisfaction
- Remove last-mile delivery inefficiencies that impede profitable BOPIS fulfillment
- Position their clients for future opportunities.

The endgame of any BOPIS strategy is to shrink the distance between the inventory's resting point and the consumer.

To support that goal, shippers and retailers need key information and operation pieces in place before any program goes live:

- Impact of network changes on overall transportation costs.
- Time-in-transit history through predictive modeling based on carrier zone information.
- Analysis of freight expense as a percentage of the cost to serve.
- Margin impact by product model.
- Consumer geography and changes in accessorial charges.
- Overlapping shipment details.
- Profitability trends at the store level.
- Measurable and enforceable SLAs. Constant performance measurement is the only way to know if cost reductions align with service quality and reliability.
- Split-order percentage trends to accommodate changes in inventory, different shipping locations, replenishment activity, and multiple packaging needs.
- Flexibility in negotiating modifications to carrier contracts.
- Proper utilization of Transportation Management Systems to enhance efficient execution.
- True customer experience metrics.
- Comprehensive consumer behavior analysis.
- A reverse logistics solution that makes sure you have available inventory near the customer (even if it is refurbished) and that confirms that differences in returns options between online and store purchases are normalized.

Those are detailed metrics. It can be daunting for a company that does not count logistics as a core competency. But it is what we do every minute of the day.

It also helps if your logistics partner has worked both sides of the retail street. Transportation Insight has more than 750 shipper clients, including hundreds of retailers. We understand the opportunities and challenges from each side's perspective. Our work is not mutually exclusive even though we may be engaged by one of the stakeholders. Every project is implemented with the needs of both at top of mind.



More Variables

Shippers and retailers looking to upgrade their last-mile technology must weigh both the cost and the speed of implementation. E-commerce markets and trends change at warp speed. Implementation delays could lead to customer attrition and result in a wasted investment.



THE LAST MILE MAKE OR BREAK

A sign posted on a retailer's door captures the essence of the in-person pick up for an online order.

"Just pull up and pop the trunk."

For the customer, it could not be more convenient or transparent. For the shipper and retailer, it is a commitment that needs to be met each day.

For too many shippers and retailers, last mile logistics remains a pain point. It does not need to be. An effective last-mile strategy can reap sustainable, across-the-board benefits. A robust BOPIS fulfillment plan will become table stakes for shippers and retailers.

Already, stores are evolving into distribution centers to facilitate in-person pick-up. Analysis drives new strategies based on the percentage of goods fulfilled at the front of the store compared to the percentage fulfilled from the back. One company, Tompkins International, plans to construct overhead rail systems inside stores that connect goods moving between aisles and backrooms. Target is erecting micro-fulfillment centers adjacent to stores to centralize inventory and make it ready in time for customer arrival. Expect that model to become commonplace in the years to come.

The last mile is the most complex part of e-commerce fulfillment. It is also the most important. The last mile makes or breaks everything that came before it. Think of a golfer with a great drive and fairway game, but a terrible putting game. When your shipment gets to the green, your customer will remember your brand based on how well you finish.

A BOPIS strategy is just one of several last-mile offerings that shippers and retailers are expected to deliver. Done right, it will reap brand loyalty, lower costs and profitable opportunities for market share that may not have existed before. But it requires a specialized level of resources and knowledge. It also requires skills and vigilance to ensure flawless execution.

The expertise of a partner like Transportation Insight can ensure that every BOPIS transaction is as simple and successful as "pulling up and popping the trunk."

YOUR SUPPLY CHAIN. MASTERED.

Transportation Insight has the team, the tools and the technology to unlock the power of your supply chain so you can realize value today and drive growth tomorrow.

About Transportation Insight, LLC

Transportation Insight is a multi-modal, lead logistics provider that partners with manufacturers, retailers and distributors to achieve significant cost savings, reduce cycle times and improve customer satisfaction rates through customized supply chain solutions. Transportation Insight offers a Co-managed Logistics® form of 3PL, carrier sourcing, freight bill audit and payment services, state-of-the-art transportation management system (TMS) applications, parcel technology platform (audit, engineering, advanced analytics) and business intelligence. The Enterprise Logistics division of the Transportation Insight Holdings, LLC, (TI Holdco) portfolio, Transportation Insight operates alongside transactional freight brokerage Nolan Transportation Group (NTG) to help client shippers engineer efficient supply chain networks. Combined, the \$3.2 billion TI Holdco organization serves 7,000 clients with logistics management services that include domestic transportation (TL, LTL, Parcel), e-commerce solutions, supply chain analytics, international transportation, warehouse sourcing, LEAN consulting and supply chain sourcing of indirect materials including secondary packaging. Headquartered in Hickory, NC, Transportation Insight has secondary operating centers and client support offices across North America.

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