

Ecommerce Delivery in the Last Mile - Exclusive Coverage of the D3 Retail Supply Chain Summit



Written By Spencer Briare, May 24, 2018

I recently spent two days (May 7th & 8th 2018) at [The D3 Retail Supply Chain Summit](#), held in Brooklyn, New York. It was my first time covering this event and I quickly realized, giving the nature of the topics and the combined industry expertise of the attendees that I was in for a fantastic two days of coverage. [The D3 Supply Chain Summit](#) brought together over 400 supply chain executives of major and fast-growing retailers, brands, CPG and service provider companies to solve the most crucial supply chain challenges affecting the retail industry today. Some of the [Supply Chain trailblazers](#) that took center stage were Dov Shenkman, Walgreens - VP Group Supply Chain Operations; Ilse de Bruin, Amazon – Director Global Logistics; Preston Mosier, Target – SVP Global Supply Chain & Logistics Field Operations; Bill Best, REI – DVP Supply Chain; Pam Sweeney, Macy’s – SVP Logistics Systems among many other high profile speakers.

Top Takeaways from The D3 Retail Supply Chain Summit



There is a rapid demand for retailers to be more efficient in the last mile of their supply chain. Amazon and Walmart have set the bar high. For the other world’s leading retailers it is becoming a logistical nightmare to stay competitive. So it begs two questions: What are consumer’s actual preferences and demands for delivery? And what can retailers do to meet these increasing demands?

Like most things in life Time, Money and Knowledge are most important to us. Things are not any different

in the ecommerce world. Consumers have expectations of a delivery time, delivery cost and visibility into the ingredients and or materials used in production.

Time: Consumer's expectations for time of delivery are, in most cases, directly related to their geographical region. In densely populated urban areas consumers expect same day delivery. On the other hand in more rural places the expectation is 2-3 business days. Josh Gartner an Executive at JD.com, the 3rd largest ecommerce company in the world, talked about how in rural China, JD.com has been deploying drones to deliver on the last mile. "It is more efficient to deploy drones then try to get a truck to some of these places in rural china."

Money: With Amazon setting the standard of consumer expectations with free shipping and expedited services, retailers are left in a difficult position. Do the same or face loosing ecommerce customers. This is leading retailers to test innovative ways to provide free shipping. One approach is bake-in the shipping costs to the price. Another is to give discounts on shipping or free shipping when consumers order in a bundle. Aldo VP, Craig Jones, asks retailers to consider the cost of a brick and mortar store location. Craig stated, "If you think about an ecommerce customer the same as a customer at a brick and mortar location. The saving on real-estate property and taxes is in some cases enough to cover your shipping expense".

Visibility: Customers want to be informed on every step of the process. We are steering the trend of customers wanting more transparency into exactly where their package / product is. Retailers are expected to provide updates on every step of the shipping and delivery process. But, Craig Jones VP of Supply Chain at Aldo believes it doesn't have to be so complicated. He states that "it's essential to make this process as simple and clear as possible" he urges retailers to track the basic milestones such as payment, shipment, landed at port, on truck, and delivered statuses.

Top Three Things that retailers can do to be more efficient in the last mile

Warehouse management failures, shipping failures, and lack of innovation are the leading causes for retailers not getting products to their customers on time and ultimately losing customers in the last mile. These are the top three things you can do as a retailer.

1. Warehouse management software is essential to your supply chain and procurement teams. At [Global Sourcing Society](#) we pride ourselves on knowing the industry's best technology solutions that fit your companies' business case in this space. After vetting many global companies we suggest top technology partners to fill a business need.
2. It is essential to have a strong partnership with a third party logistics provider. A partner that has strong communication and transparency with you and your shipping needs. This partner will also have a strong back office solution that will keep you up to date in real time and allow products to be first available transportation.
3. Being innovative takes strong leadership and innovative minds. Being innovative could be involving drones in your Asia operations (not legal in US) like JD.com. Another

example of innovation comes from Pelton executive, Jared Mellin. Jared explains that “controlling our own network in the last mile has been instrumental in the success” of the indoor cycling company. The last mile for Pelton includes installing your bike in your home, setting it up to your WIFI, and having the machine ready to operate the same day as delivery. While this does not make sense for some retailers it is a testament to how far companies will go to deliver a great customer experience.



This year’s D3 Retail Supply Chain Summit was certainly a success with more than 400 Supply Chain executives in attendance, high profile speakers that filled two days of discussions in an intimate setting that included one main stage and 2 breakout rooms. Overall, I soaked up tons of knowledge and industry best practices and came away with tangible ideas and meaningful

business connections. I will certainly look forward to the 2019 [D3 Retail Supply Chain Summit](#) and hope to continue my coverage of a wonderful event. For more on this or other retail events in the retail sourcing, logistics and supply chain space, please visit [GlobalSourcingSociety.com](#).

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