# Radial
a bpost company

A Retailer's Guide to eCommerce Fulfillment Best Practices

Today's retailers are expected to offer multiple fulfillment options that meet omnichannel customer expectations for convenience. In fact, 9 out of 10 shoppers will choose a brand based on convenience. The pandemic inspired new store fulfillment options such as click-and-collect that are here to stay. Why? Because shoppers find them convenient. However, retailers are now faced with determining which methods to optimize to remain competitive in a challenging and competitive eCommerce market, while still ensuring shoppers have a great customer experience.

Offering delivery options is table stakes for consumers. In fact, 94% of consumers would choose a different brand based on delivery or collection options.

One of the biggest shifts has been store fulfillment options that have placed stores in the role of distribution centers—with ship-to-store, ship-from-store, buy online and pickup in-store, and buy online and return in-store—as familiar choices. Store associates are serving as fulfillment personnel, which has also shifted employee roles from sales to customer service in many instances. Store fulfillment options have enabled many retailers to draw on existing store inventory for online orders, which often lets them ship merchandise faster than through other channels. It's ideal for gaining a competitive edge over Amazon, but it also requires complete visibility into inventory and a fast, connected, and modern order fulfillment process.
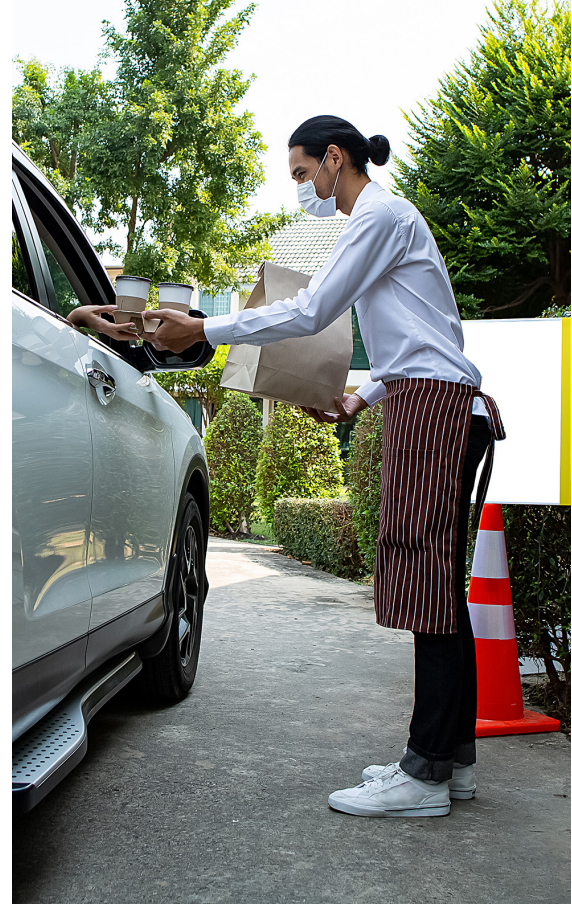
With supply chain delays and shortages, hiring difficulties, economic slowdowns and customer expectations for fast, get-it-how-and-when-they-want-it delivery and returns, retailers need to evaluate which fulfillment options provide the best customer experience while still being a good fit for their business strategy and revenue goals. They also need to evaluate their order management system (OMS) to determine if it can optimize and streamline their costs and margins.

In this guide, we examine seven top fulfillment strategies retailers need to evaluate as they move forward in their customer experience planning now and for years to come.

We group these strategies by whether the consumer needs to go to the store or if the product goes to the consumer:

Consumer-to-Product	**Product-to-Consumer**
Broadly grouped under the umbrella of click-and-collect, these strategies include buy online, pickup in-store (BOPIS); buy online, pickup curbside (BOPAC); ship-to-store; and buy online, return in-store (BORIS).	We cover direct-to-consumer, ship-from-store, and store associate delivery.

Getting fulfillment options right is critical to remain competitive in a tight market. As we explore in the last chapter, delivery times and the delivery experience are top priorities for shoppers.

Consumer-to-Product Strategies: Click-and-Collect

We're referring to click-and-collect as an umbrella term that encompasses all forms of store fulfillment where consumers visit a retailer's brick-and-mortar store to pick up their order. Click-and-collect became a mainstay during the height of the pandemic, seeing a massive 104.5% increase in sales in 2020, as consumers avoided going in stores due to health and safety concerns.

When in-store shopping returned with a surge in 2021, click-and-collect lost its predominance, dropping to a 9.7% increase in sales—still, not enough to cause retailers to stop offering it. Despite slower growth post-pandemic, click-and-collect remains the second most preferred fulfillment option after traditional doorstep delivery. Of $127.72 billion in new eCommerce spending in the US in 2022, $15.59 billion will come from click-and-collect.

Furthermore, while click-and-collect is now considered mainstream with more than 50% of the US population using it and 71% of US digital buyers, growth will be slow, but steadily moving forward. However, the United States is not the world leader in click-and-collect—the UK takes the lead with more than 55% of its population choosing this option.

In addition to providing convenience to shoppers that want to blend their online and brick-and-mortar shopping experiences, click-and-collect saves retailers significant costs compared to shipping. Target, which has a strong click-and-collect strategy in place, reports that click-and-collect saves the company 90% of the cost of shipping an item from a distribution center.

BOPIS
Buy Online, Pickup In-Store

What is BOPIS?

BOPIS (buy online, pickup in-store) lets shoppers buy online and pick up their purchase at their local store or a store location of their choice—often the same day.

Benefits of BOPIS

Convenience is a major driver, as 52% of shoppers say that half or more of their purchase decisions are influenced by convenience and 70% report that BOPIS improves their experience. Customers avoid shipping costs, long delivery times, and having to ship items for returns. They can see and handle their purchases before taking them home and return them on the spot, if necessary. They can also combine pickup with in-store shopping, which can boost revenue for retailers. With supply chain delays and product shortages, some shoppers feel an urgency to purchase items online when they know they're in stock—before they get sold out in stores.

Retailers save significantly on shipping costs, boost upsell/cross-sell opportunities, can use a store fulfillment mini-distribution center approach, and can personalize service.

How BOPIS Works

BOPIS shoppers order online and select a store location to pick up items during checkout. Keep in mind that customers already shopping in stores are increasingly using their smartphones to go online to search inventory and make online purchases in addition to their in-store purchases. BOPIS shoppers are looking for faster delivery than shipping would offer, may want to see items in person before taking them home, or plan to combine pickup with other instore shopping.

BOPIS orders can either be fulfilled via stock in the local store or ordered from another store or warehouse. Shoppers are sent a notification by email or text when their order is ready for pickup and with pickup instructions. Retailers typically have employees assigned for BOPIS fulfillment processing that pick and pack the order and, if it's curbside, deliver it to the shopper's vehicle.

When to Offer BOPIS

BOPIS requires brick-and-mortar locations, eCommerce infrastructure, a modern OMS that is cloud-based, additional inventory space in the store, extra staffing, and designated parking spaces. BOPIS also requires the ability to scale during peak seasons and sales events.

For retailers with these capacities, BOPIS can be a sound option to improve customer experience, drive competitive advantage, and offset or lower shipping costs from distribution centers.

Keys to Success

Having inventory in stock in the store with real-time visibility into inventory levels is key to a successful BOPIS model. Retailers are designating floor space to BOPIS fulfillment, assigning employees to pick-pack-deliver, and designating parking lot space for order pickup, if curbside, or for the convenience of their BOPIS shoppers. BOPIS depends on having real-time inventory capabilities in the OMS that is integrated across websites and apps. This system needs to be accurate to inform customers when they're making buying decisions. Any disconnect between what the customer sees online and what is available in the store will hurt the customer experience.

BOPAC
Buy Online, Pickup Curbside

What is BOPAC?

BOPAC is a form of BOPIS developed during the pandemic that is here to stay. Customers buy online, but rather than enter the physical store to pick up their order, a store associate brings it out to their vehicle. BOPAC is a popular fulfillment option among shoppers, with 60% of consumers reporting having used it and 51% planning to use it more.

Benefits of BOPAC

BOPAC offers shoppers the convenience of online ordering and same-day pickup, without having to get out of their vehicle, pay shipping costs, or wait for product delivery. This saves customers time and meets their unique preferences for omnichannel shopping experiences.

Retailers running successful BOPAC models save on shipping costs from distribution channels and are able to personalize services and drive loyalty when customers are happy with the curbside pickup experience.

How BOPAC Works

Just like with BOPIS, customers order online and choose their pickup time and location—all based on real-time inventory visibility made available when they order through the website or app. A store associate picks, packs, and then delivers the merchandise to the customer's vehicle at the designated pickup time.

BOPAC requires increased coordination since customers are not entering the store to pick up their orders at their convenience. Pickup is scheduled for a precise time. Communication is important as customers need to be notified when the order is ready (or if there are any delays), and the store needs to be alerted to the customer's arrival in the parking location. Staff need to be on-time with delivering orders.

When to Offer BOPAC

Any retailer offering BOPIS should consider adding curbside pickup if they have the additional staff and parking space available for it. BOPAC requires technology for real-time communication with customers, such as SMS or chat features within the brand's app. Adding curbside pickup to BOPIS models can help drive revenue and increase customer satisfaction.

Keys to Success

As a BOPIS method, curbside pickup requires a modern, cloud-based OMS with real-time inventory visibility, integration into your website and apps, as well as systems for real-time communication with customers. It also requires people management and coordination to ensure that orders are picked, packed, and delivered to the right customers at the right time. Safety measures and training need to be completed as employees will be working outdoors and among traffic. Weather conditions also need to be considered—particularly in climates with severe winters or hot summers. Curbside delivery needs to be managed well for efficiency and productivity.

Ship-to-Store

What is Ship-to-Store?

A ship-to-store fulfillment strategy gives shoppers the option of avoiding shipping costs by having the online order delivered to a local store for them to pick up, rather than shipped to their home. It differs from BOPIS in that the shipping and delivery times may be the same as traditional doorstep delivery, and it does not draw on in-store inventory.

Benefits of Ship-to-Store

Customers primarily benefit by avoiding shipping costs. Retailers that regularly charge shipping typically do not if the customer chooses to ship the item to the store (since product is already being delivered to the store and can be included in their normal freight costs). Ship-to-store items may be faster than regular online order fulfillment times, though not always.

Retailers benefit with reduced shipping and fulfillment costs, the ability to offer customers free shipping and more delivery choices, driving brick-and-mortar sales when the customer comes into the store to pick up their order. In fact, 49% of shoppers make additional purchases while picking up their online orders in the store.

How Ship-to-Store Works

Customers buy online and have the option to select ship-to-store during checkout along with a choice of nearby store locations. Customers receive tracking notifications for their order and are notified when the order is ready for pickup at their designated store location. Customers are given pickup information and any time constraints on how long the store will hold the product.

Unlike BOPIS and BOPAC, ship-to-store does not require additional staff or parking locations, although it does require additional processing as orders arrive. Customers come to the store at their convenience and pick up their order from the service desk or other designated area.

When to Offer Ship-to-Store

Ship-to-store is a way to offer customers more options, save on shipping and fulfillment costs, and get products to customers faster than through doorstep delivery. It is also an option for stores that do not choose to implement a BOPIS model but still want to drive additional traffic to stores.

Keys to Success

Retailers need real-time visibility into inventory as well as a cloud-based OMS that coordinates logistics, automated order tracking, and customer notification. Customers expect to be kept informed about their order and notified when it is available for pickup. Staff need to be trained to process orders when they come in and retailers need dedicated storage to keep orders until customers pick them up.

BORIS
Buy Online, Return In-Store

What is BORIS?

BORIS refers to buy online, return in-store and is part of a BOPIS strategy. Customers buy online, but rather than return products by shipping them back, they can go to a local store or designated location to return it.

Benefits of BORIS

It is estimated that 30% of all online orders are returned, compared to around 9% in brick-and-mortar stores. Making the return process easy is important as 67% of shoppers check the returns policy before purchasing while 92% of customers say they will buy again if the return process is easy. Plus, 79% want free return shipping. BORIS makes it easy and is free.

Customers often find it easier to return merchandise bought online to a physical store, combining it with their regular shopping trips. This saves them time and the cost and hassle of shipping. They also get a more personalized experience and can discuss any item concerns with the store associate, while the associate can make alternative purchase recommendations.

BORIS enables retailers to save on the cost of reverse logistics and gives them the opportunity to increase store sales when shoppers come into the store to make returns. Customers returning products are likely to want a replacement and, since they're in store, are more likely to purchase additional products. BORIS is a key staple of omnichannel shopping, blending online and in-store experiences and improving the customer experience.

How BORIS Works

Customers purchase items online and can bring them to the local store to return them at the service counter. Stores may dedicate space for online sales returns or may use their regular customer service department for it. BORIS requires real-time inventory tracking as return merchandise will need to be processed and either put back on the shelf or returned to the warehouse.

When to Offer BORIS

Retailers can offer BORIS as a key part of an omnichannel shopping experience. By giving customers a free return option in-store, retailers that need to charge for return shipping can do so without creating a negative impact on customer experience.

Keys to Success

BORIS requires a robust, cloud-based OMS to provide real-time inventory tracking and to coordinate reverse logistics. The online customer experience needs to be well coordinated with the in-store experience so customers have a smooth and easy return process. Dedicating space specifically to online returns also adds to the easy process, and store associates should be trained to make product recommendations to customers at the returns counter.

Product-to-Consumer Strategies

In product-to-consumer strategies, the brand is responsible for all the effort required to fulfill orders—customers simply wait for delivery and do not need to go to a store location for their products. This traditional model is still the most familiar to consumers. However, there are multiple fulfillment options beyond traditional doorstep delivery.

$111.5 Billion
of direct-to-consumer
eCommerce sales
in the United States
in 2020.

58%
of retailers
worldwide utilized
ship-from-store,
as of late 2021.

20%
of the 1.3 million
delivery drivers in
the United States
are for retail.

Direct-to-Consumer Fulfillment

What is Direct to Consumer (D2C)?

Direct-to-consumer refers to a company selling its products under its own brand directly to consumers, without an intermediary. For example, buying an iPhone from Target is not a D2C strategy, but buying an iPhone from The Apple Store is. D2C eCommerce enables brands to sell directly to customers by having orders received and filled in the warehouse or distribution center. It is also a huge component of the eCommerce space, as direct-to-consumer eCommerce sales in the United States reached $111.5 billion in 2020.

Benefits of Direct-to-Consumer

D2C cuts out the intermediary sellers, which means the brand directly profits from sales and customers receive their orders directly from the brand. Better pricing, fast delivery, and easy returns appeal to consumers in the D2C model.

How Direct-to-Consumer Works

A consumer buys a product online, the order goes directly to the fulfillment center where it is processed, picked, packed, and shipped. The fulfillment center represents that brand to the customer.

Retailers that offer D2C must rely on partnerships with order fulfillment companies or build and manage their own fulfillment centers and capacities, which is costly. By partnering with eCommerce order fulfillment companies, D2C brands save money and can focus on product development and marketing without having to worry about the fulfillment process.

D2C retailers need to ship product to the fulfillment center where it is logged into inventory and stored. When orders come in, the fulfillment center handles all aspects of the order process, including shipping and returns (reverse logistics).

When to Offer Direct-to-Consumer

Companies that do not want to place products with intermediary sellers and that have strong in-house fulfillment capacities or partnerships with third-party fulfillment vendors may choose a D2C business model.

Keys to Success

Small startups often handle fulfillment in-house, but a key aspect of D2C is the ability to scale when peak seasons and viral events happen. While there are multiple outsourced fulfillment options, larger D2C brands often benefit most by choosing an independent order fulfillment company that enables them to customize packaging and kitting while also supporting shipping, reverse logistics, and customer service functions.

Consumer Appeal
The D2C model offers better pricing, fast delivery, and easy returns.

D2C Key Aspect
The ability to scale when peak seasons and viral events happen.

Ship-from-Store

What is Ship-from-Store?

Ship-from-store is a fulfillment strategy that uses stores as mini-distribution centers rather than warehouses for online order fulfillment. It has been used for a long time by most major retailers but started getting more attention during the pandemic. As of late 2021, 58% of retailers worldwide utilized ship-from-store.

Benefits of Ship-from-Store

By using stores as mini-fulfillment centers, retailers can keep inventory closer to customers, which speeds up order processing and reduces delivery times. Rather than utilizing regional fulfillment centers, adding ship-from-store reduces transportation and shipping costs. Product that is closer to the customer gets to them faster and at less cost.

Ship-from-store can also reduce excess inventory or dead stock by repurposing idle stock for online orders rather than putting it on markdown. Inventory can be sent from one location to another better-performing store as well.

How Ship-from-Store Works

A customer places an order online and the retailer's cloud-based OMS identifies the closest store location to the customer with inventory in stock. The order is sent to that store and store associates process, pick, pack, and ship the product to the customer.

When to Offer Ship-from-Store

Large eCommerce businesses invest in building fulfillment centers in key locations closest to the majority of customers. The larger their global footprint, the more fulfillment centers are needed to meet their same-day, one-day, and two-day shipping promises. For retailers that already have a major footprint of store locations, using their stores as fulfillment centers saves them the cost of building fulfillment centers and helps them compete with businesses like Amazon. Ship-from-store is a key component of being able to deliver products to customers on time.

Keys to Success

Real-time visibility into inventory across stores and warehouse is imperative for ship-from-store. Stores must be able to ensure they do not run out of stock to fill online orders, and many keep a safety stock (certain number of items that must be in inventory before they can fulfill an online order) to help manage this. Since ship-from-store shifts order fulfillment to the store, retailers also must have the space for inventory storage, order processing, and the personnel dedicated to online orders. Tracking, communication, and visibility are essential at every step to ensure customers receive their orders on time. Most stores were not purpose-built for fulfillment and do not have the built-in efficiencies that fulfillment centers do, which may require remodeling the store.

It is also necessary to ensure that ship-from-store processing does not disrupt the in-store customer experience with pickers grabbing product off the shelves before customers, leaving displays in disarray, or seemingly prioritizing online shoppers over in-store customers. Sound people management is necessary to ensure the fulfillment operations do not create a negative customer experience in stores.

Store Associate Delivery

What is Store Associate Delivery?

Store associate delivery is a strategy where store associates process online orders by picking products from the store, packing them, and then hand delivering them to customers' doorsteps. This service is reserved for local customers within a certain radius of the store location and is most often modeled by food service companies. Of the 1.3 million delivery drivers in the United States, retail accounts for 20 percent.

Benefits of Store Associate Delivery

This delivery option enables same-day delivery within a certain radius, provides convenience to shoppers nearby at a delivery time of their choice, and reduces the costs of order fulfillment and shipping. Retailers are able to reduce reliance on third-party carriers for hyper-localized delivery routes.

How Store Associate Delivery Works

Store associates are hired or trained to provide this service, with factors such as employee safety behind the wheel, driving expertise and eligibility, and employee availability being key concerns. When an online order comes in, the employee processes, picks, packs, and delivers it to the customer's address.

When to Offer Store Associate Delivery

Retailers with a high volume of orders by localized customers and that have the number of employees and vehicles to devote to hand delivery are ideal for this service. Businesses need to weigh the cost of providing this service compared to BOPIS or curbside pickup to determine if it makes sense to offer it.

Keys to Success

A cloud-based OMS that provides real-time inventory tracking, customer notification, and communication capacities are needed. Store associates and vehicles, as well as insurance and safety training, are also necessary for a smooth store associate delivery service. Retailers need to put parameters around how many local deliveries they can make per day and determine how they will communicate this limitation to customers. Conditions such as weather also play a role in being able to effectively deliver this service.

The Role of Delivery Times

Delivery times matter to customers. In fact, 98% of consumers say that shipping impacts brand loyalty and over 73% of consumers report that delivery is most important to their overall shopping experience. Further, 69% of consumers are much less or less likely to shop with a retailer in the future if an item they purchased is not delivered within two days of the date promised.

Consumers want to be able to get their orders as fast as possible and in the most convenient way for them— and be able to choose different fulfillment options depending on the situation. The most successful retailers provide customers with the most flexible order fulfillment options. All of these options depend on having the technology needed to coordinate a true omnichannel fulfillment strategy.

Every fulfillment option relies on real-time visibility into inventory and the capacities of an OMS that can meet retailers' needs to deliver multiple omnichannel fulfillment options.

Learn how Radial Order Management technology enables you to offer omnichannel and store fulfillment options.

Preparing for peak?
Check out our resources to help you plan.

Extensive industry research has revealed that a majority of consumers continue to have high expectations for fast delivery.

60%
of consumers expect same-, next-, or two-day delivery, and 58% of those shoppers expect free next-day delivery.

35%
of consumers are choosing shipping options like curbside pickup or BOPIS to receive their orders faster.

75%
of shoppers say free shipping continues to have a significant influence on purchasing decisions.

60%
of consumers say fast shipping influences their decision to buy online.

53%
of consumers say flexible shipping influences their decision to buy online.

In the last year, **32%** of customers have abandoned their carts because the estimated shipping time was too long.

In 2021, **23%** of shoppers abandoned their carts because there was no guaranteed delivery date.

About Radial

Radial, Inc., a bpost group company, is the leader in eCommerce solutions. Premier brands around the world confidently partner with Radial to deliver their brand promises, anticipate and respond to industry disruption, and compete in a rapidly evolving market. Our expansive network of fulfillment centers, flexible transportation services and advanced omnichannel technologies, help clients meet increasing consumer expectations and maintain market competitiveness. With our personal customer care services and intelligent payment and fraud solutions, brands confidently deliver high-value customer experiences required today. We are flexible, scalable, and focused on our clients' business objectives. Learn how we deliver today's retail for you at www.radial.com.

Radial
a bpost company