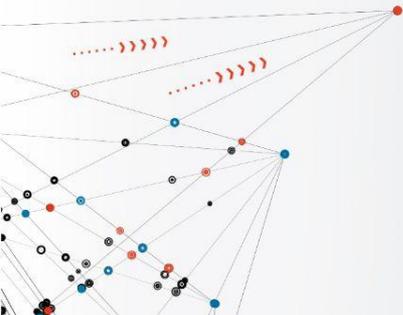


2022  
Bringg Barometer

The State of  
Retail Delivery  
& Fulfillment





# Introduction and Executive Insights



# Introduction & Methodology

Last year, we published our [Bringg Barometer: State of Retail Delivery and Fulfillment](#) for 2021. The survey was completed in the height of COVID-19, and distributed nearly a year into the pandemic. As eCommerce spiked, and supply chain disruptions began to be felt across the world, issues touching the customer experience, a network disconnect, and alternate fulfillment options took center stage.

This year, retailers found their feet with alternative fulfillment options, and models such as curbside pickup and click and collect have become the norm.

Consumers continue to prioritize last mile fulfillment speed and convenience, accelerating the need for retailers and ecommerce brands to deliver faster, more efficiently and cost effectively. Hyperlocal fulfillment models are also in the spotlight as retailers rush to fulfill greater volume orders and achieve same day or on-demand deliveries for customers.

To get greater insight into these trends, we asked eCommerce stakeholders to share their current last mile challenges and pain points, as well as their goals and plans for 2022 and beyond.

## Survey Analysis

In December 2021, we commissioned a survey of 500 retailers from the United States, Canada, the United Kingdom, Germany, France and Italy. Based on the survey, this report shares a glimpse into how retailers assess the current strengths and weaknesses in their last mile fulfillment capacity, fulfillment costs, and ability to meet their customers' fulfillment needs with their current delivery ecosystem.

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# Executive Insights

## 1. Retailers have an urgent need for greater connectivity

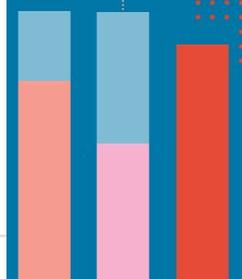
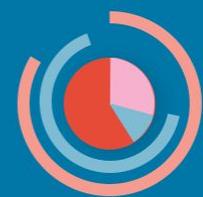
With on time delivery, same day delivery, scaling fulfillment and managing multiple fleets all top priorities, today's retailers can't afford to have inefficiencies, lack of visibility and outdated technology holding them back. 44% are managing multiple fulfillment channels with disparate technologies, and 61% cite problems with visibility. Retailers need to be able to connect their data and processes better to create more efficient order fulfillment and a single, unified experience across fulfillment channels, helping their brand to stand out in an increasingly commoditized field.

## 2. Hyperlocal delivery a focus for retailers in 2022

99% of respondents said they will be offering same day delivery within the next three years, compared to 35% today, a goal largely driven by customer demand. However, too many current last mile fulfillment models do not support same day or on demand delivery, with 36% saying they don't have the technology, citing real-time order visibility as the main problem, and 24% calling out the sheer distance they need to travel from warehouse to fulfillment as a primary blocker to delivering on time.

## 3. Lack of visibility and automation are blockers to improving customer delivery experiences

When it comes to pain points for scaling delivery, as well as the challenge of delivery windows, 61% of our respondents mentioned a lack of real-time visibility once the order is out for delivery as their top challenge, and 55% called out the inefficient manual nature of the way they currently plan and dispatch their orders. While retailers are looking for new ways to fulfill orders, there's a challenge in connecting the dots. These gaps in data as well as legacy processes are standing in the way of achieving fast delivery of growing order volumes.



## 4. Only 35% of retailers have fully automated processes in place

More than half of all retailers are still operating their last mile operations manually; only 35% have fully automated last-mile delivery and fulfillment operations. There is a clear trend towards automation among retailers; brands which do not connect digitally and automate their order fulfillment are already being left behind in the race to faster, more data-driven delivery processes.

## 5. For on time and fast delivery, a lack of data is a central concern for retailers

Retailers are facing a lack of data and lagging productivity around their delivery processes. Lack of visibility as increased as a key pain point to delivering on time, compared to 2020. Only 29% of retailers feel they are doing a good job when it comes to their delivery windows, a dilemma that's closely tied to lack of real-time data and the technology to provide it. In addition, the top challenges for running and scaling same day delivery are similar to those for achieving on-time delivery, including real time order visibility (in this case, 51%) and travel time (49%). This problem is exacerbated by multiple delivery partners, as 26% of retailers say they are struggling with visibility when working with third parties.

## 6. Reliance on multiple third-party providers is growing, with a focus on sustainability

Retailers are moving away from a reliance on a single traditional carrier and are pivoting to a mix of providers to connect with their customers faster, with 55% using multiple fleets for last mile delivery. Sustainability and carbon emissions are an important consideration, with 56% of retailers using fleets with EV vehicles, and 1 in 3 using bike fleets. 33% are also turning to crowdsourced delivery; this, along with using multiple fleets for different geographic regions, and bike fleets, are all methods of supporting hyperlocal and fast delivery.





# State of Retail Delivery & Fulfillment



# Meeting Customers' Delivery Expectations VS Fulfillment Challenges

Only 29% of respondents feel they are doing a great job with delivery windows for their customers, while 46% feel there is room for improving the quality of their delivery service.

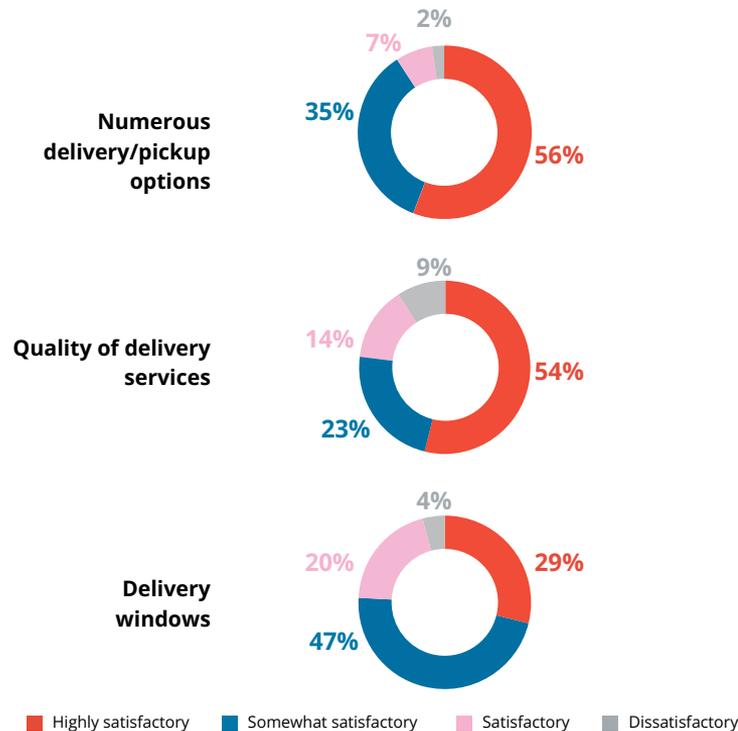
When diving deeper into those who are highly satisfied, lack of data and automation still stands out as a key challenge. 56% percent are highly satisfied with delivery/pickup options, but 64% of that group still struggle with inefficient manual processes, such as lack of automation and advanced technologies.

Of the 54% who are highly satisfied with QoS, 43% struggle with scheduling. 29% say they are highly satisfied with delivery windows, but almost half of that group struggle when working with multiple delivery providers.



Having multiple fulfillment options and good service is not enough to ensure a competitive advantage. Retailers should focus on automating backend processes for better operational visibility – for example, to create shorter, more accurate delivery windows - and customer satisfaction.

## Ability to Meet Customers' Delivery Expectations



# Delivery Time Frames are Shrinking

Retailers are matching customer demand for speed by planning faster delivery time frames. Next-day delivery is by far the most prevalent delivery option available in 2021, being offered by 58% of companies already. However, even 30-minute deliveries are on the roadmap for 56% of companies by 2025, proving the importance of this growing trend.

When comparing by countries and region, the US is significantly behind with offering same-day deliveries (26% in the US compared to 46% in CA), as well as being behind with 30-minute deliveries (offered by 31% in the US, and 40% in EU).



To match plans for two-hour and thirty-minute delivery, retailers will need to get closer to their customers by connecting to local fulfillment warehouses, ship-from-store, and other technology and resources built to support these models.

## Plans to Offer Delivery Time Frames, Now Vs. 2022-2025



# Biggest Pain Points to Delivering on Time

98% of survey respondents admitted to having pain points when it comes to delivering on time.

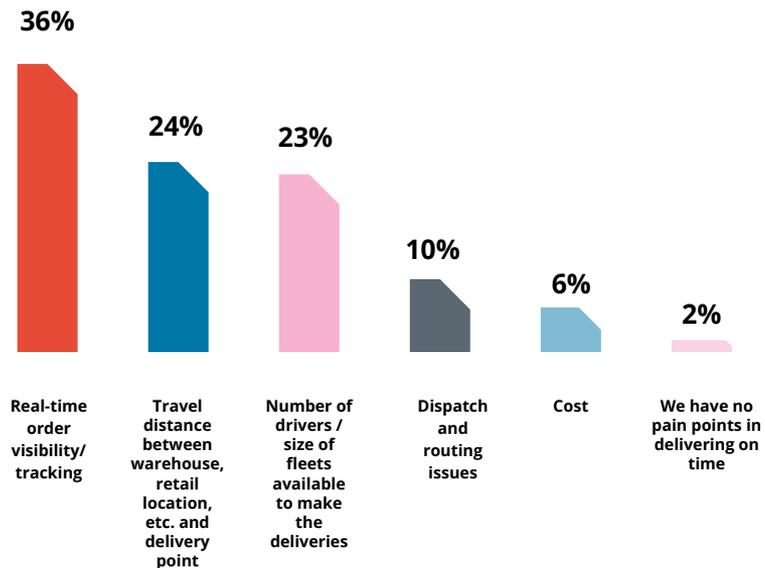
36% indicated that their biggest pain point was real-time order visibility/tracking. With ecommerce numbers growing last year, it is not surprise that this number is almost triple what it was last year,

Interestingly, cost was not a big issue for delivering on time. However, when drilling down into the respondents who were highly satisfied by the delivery/fulfillment options they provide – the challenge of cost rises to 42%, intimating that there is a trade-off going on behind the scenes.



Almost 1 in 4 companies struggle to meet delivery times because of travel distance. This challenge, along with a lack of visibility, points to delivery operations that are not set up for hyperlocal delivery, including a lack of visibility and too far a distance between current warehousing and delivery points.

## Biggest Pain Point in Delivering on Time



# The Growth of Sustainability Through Local Delivery - From Crowdsourced to EV Fleets

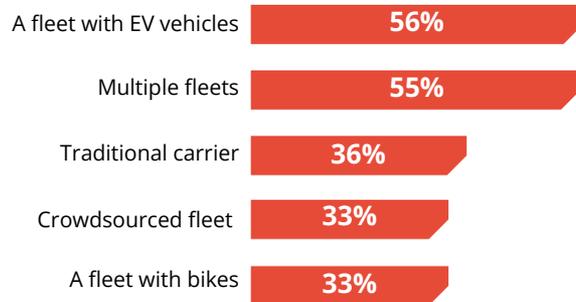
Retailers are going green to reduce carbon emissions and meet net-zero initiatives. Respondents indicated that fleets with electric vehicles (EV) are becoming common delivery vehicles to use for fulfillment. Over half of retail respondents are using eco-friendly options such as electric bikes or cars.

The traditional method of a single delivery provider is no longer able to meet new ecommerce delivery volumes, as seen by the 55% of retailers using multiple fleets for delivery.



1 in 3 retailers are using crowdsourced fleets or bike fleets, both of which allow businesses to leverage local fleets for faster urban and local delivery.

## Delivery Methods in Use



\* This question allowed more than one answer and as result, percentages will add up to more than 100%

# Lack of Brand Control and Visibility when Working with Multiple 3<sup>rd</sup>-Party Fleets

More than 80% of retailers are working with upwards of 5 providers, as a solution to offering fast delivery and scaling delivery in general.

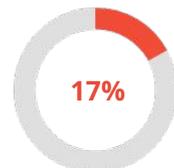
However, it does not come without a cost: **36% of retailers who work with multiple fleets find themselves suffering from lack of brand control.**

Retailers are not connected enough across their technologies and external fleets to have enough visibility over the provider's end-to-end delivery performance and customer experience.

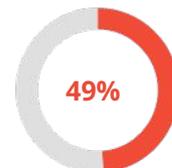


Enabling greater visibility through integrations and real-time data transfer will create the strong branded delivery experience that is critical for customer retention.

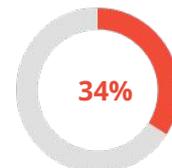
## Number of Delivery Providers



2-5



6-10



11 or more

## Pain Points in Working with Multiple Third-Party Fleets



Lack of brand control



Lack of visibility



Cost



Integrating multiple fleets

# Scaling Delivery Models Held Back by Lack of Visibility and Automation

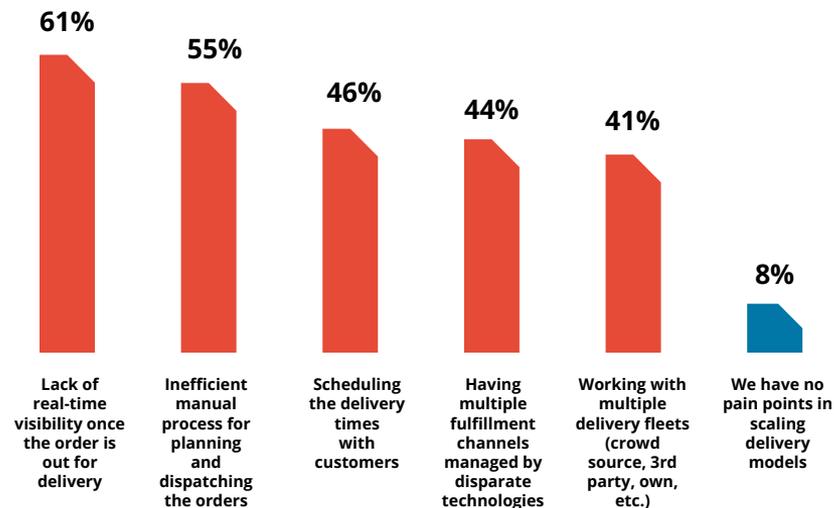
Inefficient manual processes and a lack of real-time visibility once the order is en-route are the two greatest pain points around scaling delivery in the last mile.

61% mentioned that their top pain was the lack of real-time visibility once the order is out for delivery, and 55% mentioned inefficient manual processes for planning and dispatching the orders.



These issues around lack of real-time data and inefficiencies reflect a disconnect across the last mile. Retailers can combat this and successfully scale higher delivery volumes at faster speed by digitizing and connecting their last mile resources and network.

## Biggest Pain Points when Scaling Delivery Models



\* This question allowed more than one answer and as result, percentages will add up to more than 100%

# Same Day Delivery: Challenges and Opportunities

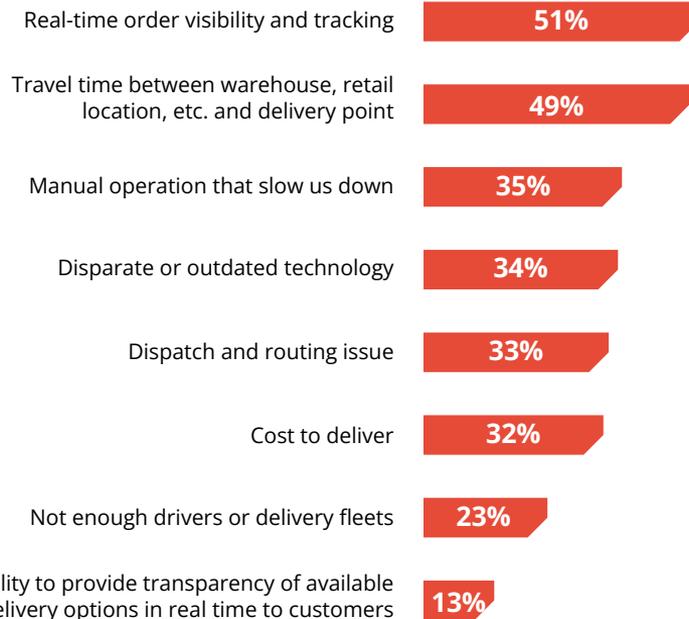
The top challenges for running same day delivery at scale is real-time order visibility and tracking (51%), followed by the travel time it takes between the delivery points (49%). These highlight a lack of technology and visibility through disparate technologies and manual operations, contributing to poor customer experiences and making it tough for retailers to scale fulfillment.

Travel time in particular can be greatly reduced by using stores for order fulfillment.



To achieve same day delivery at scale, a hyperlocal, connected fulfillment network is critical, as is adopting open technologies for fast integration and artificial intelligence (AI) for efficiency across resources and processes.

## Top Challenges to Running Same Day Delivery at Scale



\* This question allowed more than one answer and as result, percentages will add up to more than 100%

# Alternative and Local Fulfillment Options Are Growing

The trend from 2021 towards alternate fulfillment options is still highly popular, with alternate pickup options at 63% and buy online - pick up in-store third at 55%.

There is also a clear trend towards hyperlocal delivery. More than two-thirds of retailers are using department and mall stores as local fulfillment centers or 'dark stores' (67%), and many already use ship-from-store (58%) and micro-fulfillment centers (44%) to get closer to their customers.

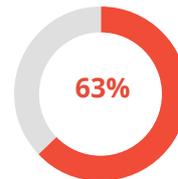


If retailers have not implemented ship from store, or from local dark stores and MFCs, now is the time to do so, as this trend and the additional speed it promotes is becoming commoditized.

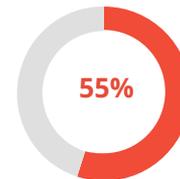
## Fulfillment Options Currently Offered



By online, return in-store

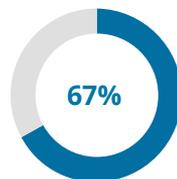


Alternative pickup locations

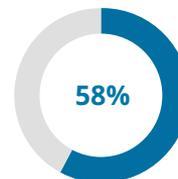


Buy online, pickup in-store

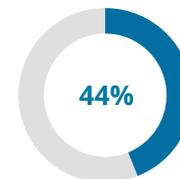
## Local Fulfillment Options in Place



Department/mail stores turned into 'dark' stores / fulfillment centers



Ship from store



Micro fulfillment centers or urban warehouse

\* These questions allowed more than one answer and as result, percentages will add up to more than 100%

# Alternative Pickup Offers Higher Profit Margins for Retailers

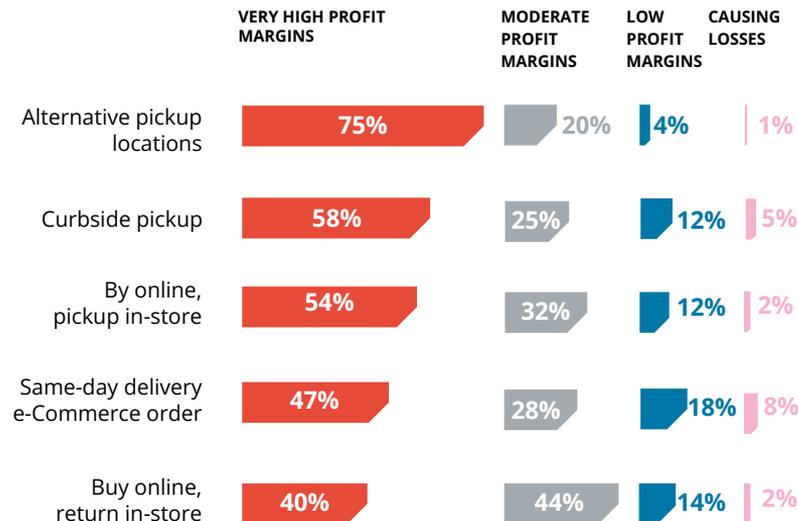
75% of survey respondents indicated that alternative pickup locations have the highest profit margin compared to the various fulfillment models in use by retailers, while buy-online return in-store has the lowest profit margin. It's important to recognize that these are the profit margins in comparison to other methods of delivery, but of course buy in-store is the most profitable option, allowing shoppers to browse, and companies to upsell and attract with other items without the additional costs of delivery.

With alternative pickup locations having an even greater impact on retail business and driving more business than same day delivery, this is a powerful business model to implement.



While same day delivery is clearly an expensive form of fulfillment, it is a value differentiator, as it is in demand with consumers. Rather than downgrading same day as a priority, businesses should find solutions to make this fulfillment model more cost-effective.

## Profit Margins of Fulfillment Models



# 2022 Priority: Automating Last Mile Delivery & Fulfillment Operations

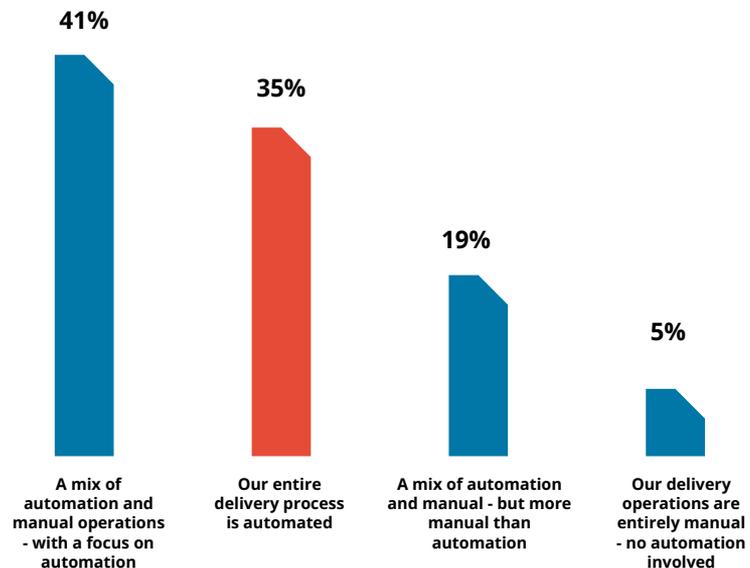
We asked survey respondents how much automation they use in their last mile delivery and fulfillment operations.

A little more than 1 in 3 (35%) reported their entire delivery process is automated. The rest were split between 60% who have a mix of automation and manual operations, and 5% who are lagging behind, with no automation at all.



With 35% of retailers today highly automated, but with the last mile taking a priority, those who are not automated are going to be left behind.

## Automation of Last Mile Delivery & Fulfillment Operations



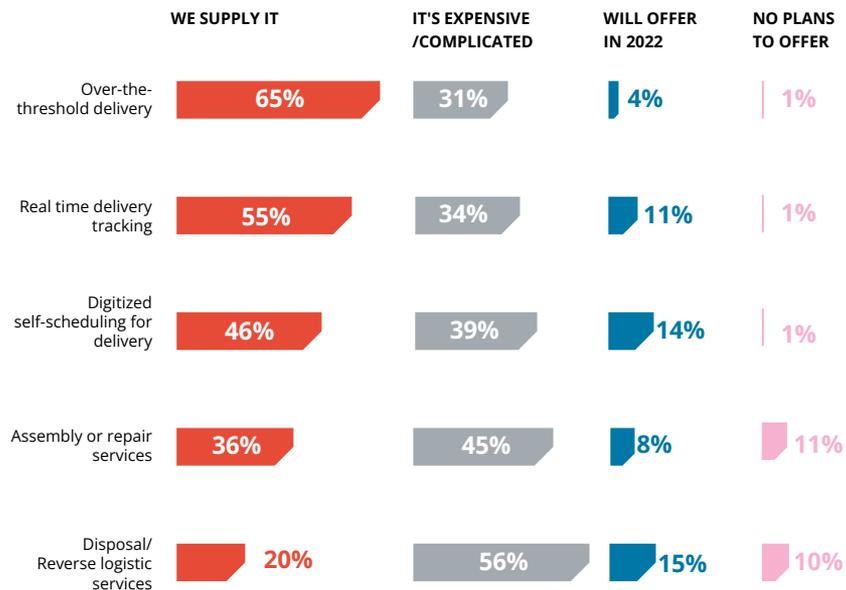
# 2022 Priority: Solving Fulfillment Services

The data around companies who find services difficult and expensive is interesting to note here. For example, a huge 45% of respondents would like to offer assembly or repair services, but find them too complicated or expensive. At the moment, the top service offered to customers is over-the-threshold delivery (65%), and the top service that is on the roadmap to be offered in 2022 is disposal/reverse logistics services (15%), despite 56% of businesses worrying about complexity and cost.



Businesses need to find a way to optimize their technology and processes to become more efficient, or they will remain unable to add essential offerings to their customer-base. With 35% of retailers today highly automated, but with the last mile taking a priority, those who are not automated are going to be left behind.

## Services Offered to Customers



# The Retail Industry is Reinventing Itself Post Covid

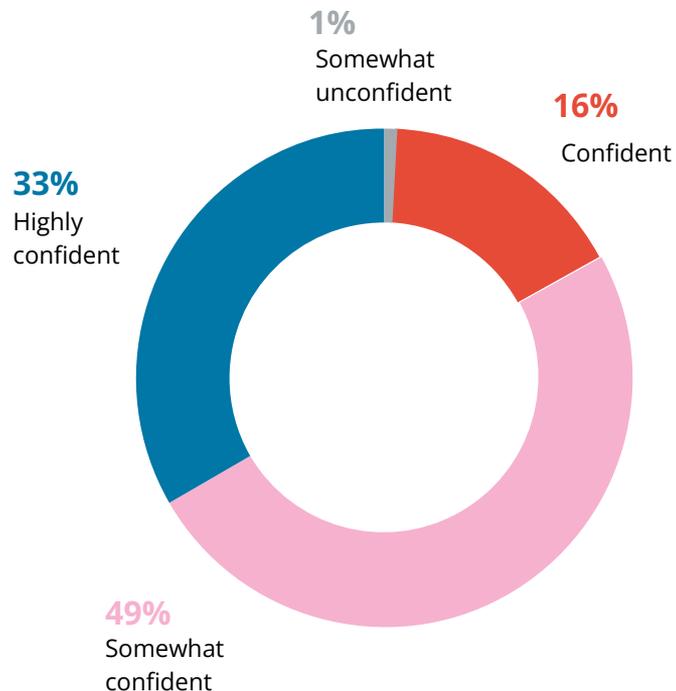
It will be interesting to see how the retail sector adjusts its fulfillment operations to the current market eruptions. Retail sectors such as omnichannel fulfillment are growing; retailers are taking their customers from offline to online buying and fulfillment; and new ecosystem players - including crowdsourced fleets, warehouse solutions, mobility solutions, and more - are paving the way for cost-effective, fast fulfillment

The good news is that the retail industry is highly agile, with a third of retailers (33%) highly confident that they can pivot based on new, pandemic-driven customer behavior.

With a need for more delivery capacity, greater tech innovation and stronger partnerships with providers, now is the time for the 49% of 'somewhat' confident retailers to prove that they, too, can be agile enough to improve delivery speed and convenience.

To get there, retailers will need to connect and automate their delivery network resources, processes and technologies, and adopt hyperlocal fulfillment as a goal for 2022.

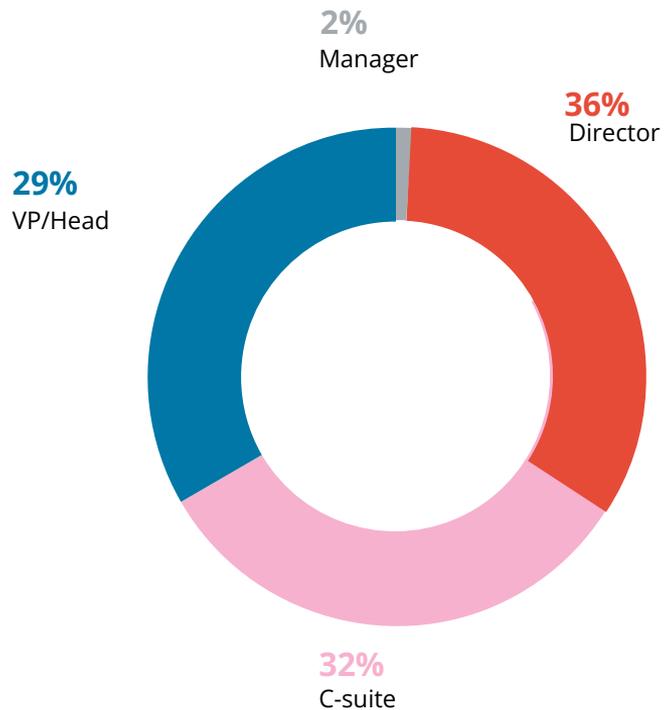
## Ability to Pivot New Shopper Behaviors Driven by the Pandemic



# Demographics

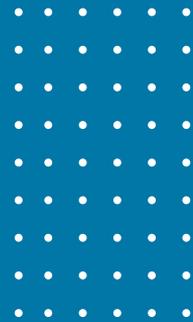
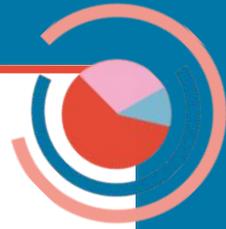
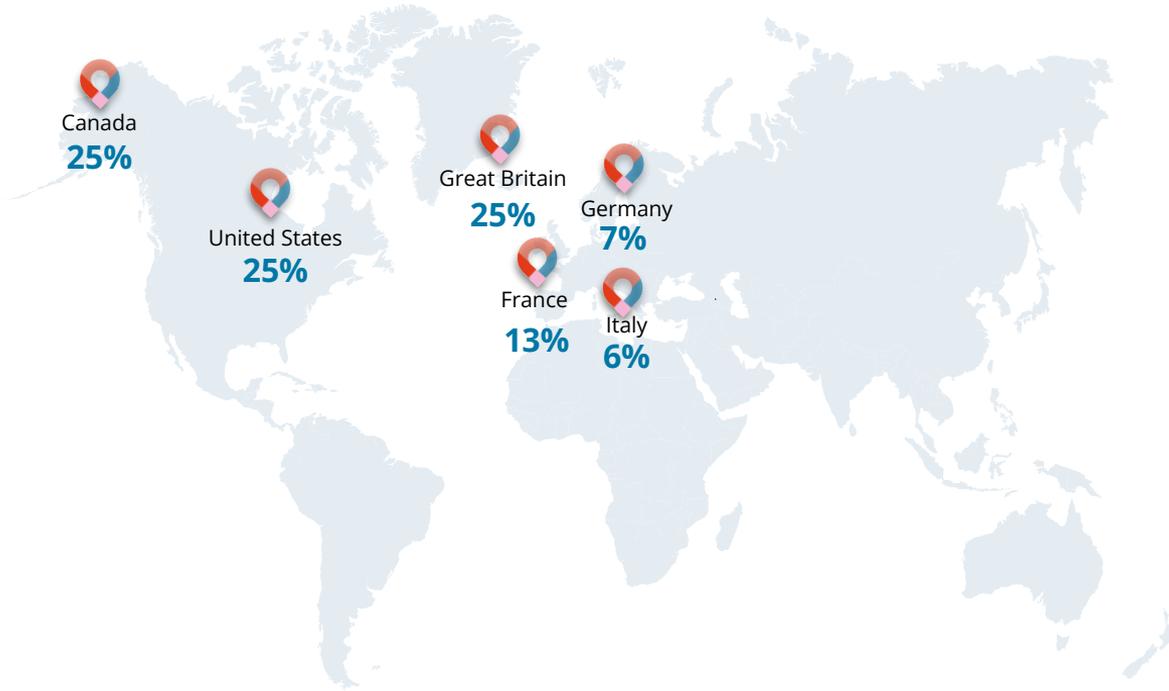


## Job Role



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# Country of Residence



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# About Bringg

Bringg helps enterprises scale up and optimize their logistics operations with our unified delivery and fulfillment cloud platform. Using Bringg, retailers and logistics providers can rapidly enable innovative delivery and fulfillment models that maximize the customer experience, optimize logistics operations and scale business channels for growth. Some of the world's best-known brands in more than 50 countries use Bringg's platform to deliver the perfect last mile experience at peak efficiency across multiple delivery models.

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