

Make Order Fulfillment Your Market Differentiator

When a retailer offers customized services and customizes its packaging, order fulfillment extends beyond simply sending out orders.

by Jeff Dahltorp

Often viewed as a lackluster process, order fulfillment can be a strategic tool that retailers leverage to make their brand resonate with customers. Aligning fulfillment operations with a brand's personality provides multichannel retailers yet another means of making themselves memorable to buyers. As retailers realize the power of making order fulfillment a market differentiator, the process no longer takes a back seat to merchandising and marketing.

More Than Pick/Pack/Ship

Just like everything in the constantly evolving arena of multichannel retailing, management must consistently scrutinize fulfillment strategies. Retailers must think beyond the basics of pick, pack, and ship by exploring which services they need to offer to make fulfillment shine and keep customers coming back for more. At the core, order fulfillment is about doing simple things very well, over and over again. Delivering the right product to the right person at the right time is always the result of excellent warehouse operations. The warehouse is the last stop in preparing a package before it lands in the hands of the recipient. The experience of receiving that package can either be dull and predictable or an unexpected delight, all depending on the brand impact of the delivery itself.

An Opportunity, Not A Commodity

Rather than looking at order fulfillment as a commodity back end process, retailers should tailor their fulfillment strategy to capitalize brand awareness. Take a look at the target audience, and find ways to deliver goods in a way that stands out from the crowd. When considering a consumer's overall perception, retailers find it important to build and protect their brand by closely managing the product, presentation, delivery, and customer service. In doing so, retailers are effectively integrating order fulfillment into their branding mix.

Additional branding opportunities often become more feasible if the fulfillment process is outsourced to a firm that specializes only in this aspect of retail order management. Outsourcing fulfillment allows a shift in focus and resources internally to marketing. Retailers can tap into resources of the vendor to achieve economies of scale, thus increasing the competitive cost advantages of offering customized fulfillment. When leveraging outside infrastructure and management expertise, the fulfillment partner absorbs the systems, labor, and facilities management requirements. For example, the need for hiring specialty workers is out of the retailer's hands. Services such as personalized embroidery,

specialty merchandise handling, promotional inserts, gift wrapping, and product photography can all be managed from a single source when the right fulfillment partnership is in place. Customized order fulfillment is a growth opportunity as customers have become accustomed to added services, greater flexibility, and personal customer service with little or no hassles.

Managing Your Brand

For those retailers who want to focus on selling rather than shipping, outsourcing is a viable option, especially when the relationship is tightly managed. As fulfillment providers respond to retailers' demands, outsourcing order fulfillment no longer means forgoing an ideal customer experience. A beneficial outsourcing relationship comes from a clear understanding of a brand's message and the overall strategy of differentiating that brand in every way possible.

Brand differentiation can only come from a well-suited relationship with the vendors who represent your brand, so retailers must make these choices very carefully. They must also stay engaged in the ongoing management of that relationship, or the brand can easily suffer. Managing that relationship can touch many areas of the retailer's business and should include such things as making sure the fulfillment company is well-informed and maintains complete transparency to the customer.

As industry reports have recently indicated, online retail is on the upswing and competition among comparable brands is thickening. More than ever before, retailers should be seeking new opportunities in the fulfillment process to ensure that their brand is top-of-mind when the next buying decision presents itself to a consumer. ■



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