

# Parcels delivered within two hours could be the norm by 2028

In response to today's online-buying, smartphone-wielding consumer that expects a seamless, faster purchasing journey, 78% of logistics companies expect to provide same-day delivery by 2023 and 40% anticipate delivery within a two-hour window by 2028.



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This is according to newly released results from a global body of research carried out by Zebra Technologies Corporation, which analysed how manufacturers, transportation and logistics (T&L) firms, and retailers are preparing to meet the growing needs of the on-demand economy.

The research, titled the Future of Fulfillment Vision Study, found that 87% of survey respondents expect to use crowdsourced delivery or a network of drivers that choose to complete a specific order by 2028.

"Driven by the always-connected, tech-savvy shopper, retailers, manufacturers and logistics companies are collaborating and swapping roles in uncharted ways to meet shoppers' omnichannel product fulfillment and delivery expectations," said Jim Hilton, manufacturing and transportation and logistics global principal, Zebra Technologies.



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## Research methodology

The Future of Fulfillment Vision Study surveyed more than 2,700 professionals in retail, manufacturing, transportation and logistics, on their plans, implementation levels, experiences and attitudes toward omnichannel logistics.

Surveys were conducted in conjunction with research partner Qualtrics in 2017 across the United States, Canada, Brazil, Mexico, Colombia, Chile, France, Germany, United Kingdom, Italy, Russia, Spain, China, India, Australia and New Zealand.

## E-commerce driving faster delivery

Surveyed omnichannel decision makers anticipate disruption led by drones, autonomous vehicles and crowdsourced delivery.

"Zebra's Future of Fulfillment Vision Study found that 89% of survey respondents agreed that e-commerce is driving the need for faster delivery. In response, companies are turning to digital technology and analytics to bring heightened automation, merchandise visibility and business intelligence to the supply chain to compete in the on-demand consumer economy," Hilton said.



### Bulk of retailers brace to transform customer experience through IoT

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## Key findings

- Only 39% of supply chain respondents reported operating at an omnichannel level. The survey found reducing backorders was the biggest challenge to reaching omnichannel fulfillment for one-third of respondents followed by inventory allocation and freight costs.

- 76% of surveyed retailers use store inventory to fill online orders, and 86% of retail respondents plan to implement buy online/pick up in store in the next year. Retailers are investing in retrofitting stores to double as online fulfillment centres and shrinking selling space to accommodate e-commerce pickups and returns.

- Globally, 87% of respondents agreed that accepting and managing product returns is a challenge. The increase in free and fast product delivery corresponds with an increase in product returns, a costly concern that retailers struggle to manage efficiently across many different purchasing models. Seven in ten surveyed executives agree that more retailers will turn stores into fulfillment centres that accommodate product returns. More than 60% of retailers that currently do not offer free shipping, free returns or same-day delivery plan to do so while 44% expect to outsource returns management to a third party.



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26 Jul 2017



- Although 72% of organisations utilize barcodes today, 55% of organisations are still using inefficient, manual pen-and-

paper based processes to enable omnichannel logistics. By 2021, handheld mobile computers with barcode scanners will be used by 94% of respondents for omnichannel logistics. The upgrade from manual pen-and-paper spreadsheets to handheld computers with barcode scanners or tablets will improve omnichannel logistics by providing more real-time access to warehouse management systems.

- Radio-frequency identification (RFID) technology and inventory management platforms are expected to grow by 49% in the next few years. RFID-enabled software, hardware and tagging solutions, offer up-to-the-minute, item-level inventory lookup, heightening inventory accuracy and shopper satisfaction while reducing out of stocks, overstocks and replenishment errors.
- Future-oriented decision makers revealed that next generation supply chains will reflect connected, business-intelligence and automated solutions that will add newfound speed, precision and cost-effectiveness to transportation and labour. Surveyed executives expect the most disruptive technologies to be drones (39%), driverless/autonomous vehicles (38%), wearable and mobile technology (37%) and robotics (37%).

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