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CANADA'S SUPPLY CHAIN MAGAZINE



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Trends in supply chain management: Customer service

Keeping up with retail and rising customer expectations

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by Treena Hein

White hot' and 'explosive' are common words distribution experts are using these days to describe online commerce. To establish or grow their foothold in this area, companies are making sweeping changes to their supply chain and customer service strategies.

In announcing a new DC in Brampton, Ontario Sleep Country Canada, for example, described itself recently as having "quickly become a player in the growing online mattress business". The company has launched its own mattress-in-a-box product to take on competitors, but the firm also "recognizes that mattresses are tactile and online shoppers still want to visit retail stores to try their mattress out before making a purchase." Samples of online-order mattresses are therefore available in all their stores.

Other businesses that aren't so product-specific, such as major department store chains like Holt Renfrew, Hudson's Bay and Bloomingdale's, are battling competition from Amazon to be sure, but they are also battling some new and disruptive e-commerce ideas, notes John Boyd, principal at location consultants The Boyd Company in Princeton, New Jersey. "Online retailer Gwynnie Bee rents—not sells—clothing items to women," he explains, "enabling them to use the item for a while or for a special occasion and then return it, thus keeping a new and fresh wardrobe always on hand or on its way."

Digital strategy

Target is using an extensive multi-pronged approach to try and ramp up its e-commerce sales, continuing "to accelerate enhancements in stores and digital to create a networked shopping experience, with stores, digital channels and supply chain working together to meet guests' needs." This, says chair and CEO Brian Cornell in a recent press release, is part of "pursuing an aggressive digital strategy."

The retailer's more than 1,800 stores across the US are about 16 kilometres or less from three-quarters of all Americans, which enables the firm to try and deliver a shopping experience that focuses on ease and convenience, while also creating capacity to support digital growth by leveraging stores to fulfill online orders faster. Additionally, Target is working to differentiate its shopping experience from other companies by increased staffing and employee training.

“We’re elevating every aspect of how we serve our guests, including reimagining hundreds of stores, opening new small-format stores, introducing new and exclusive brands...transforming the way we replenish our stores and get products to our guests,” states Cornell. “As we open more small-format stores in new neighborhoods across the country, we’ll be even closer to our guests, and our reimagined stores will provide elevated inspiration and ease, along with serving as hyperlocal distribution centers to fulfill digital orders faster.”

For example, Target is expanding its same-day delivery service in New York City from one location to four additional locations; customers have the option to have their in-store purchases delivered within two hours anywhere in Manhattan and to parts of Brooklyn and Queens, for a small fee.

In addition, next year Target will expand its ‘Target Restock’ program across the USA. It involves customers placing an ‘essentials’ order until 7pm for next-day delivery. The service is already available in 11 major cities. And earlier this year, Target began testing a customer service option called ‘Drive Up’. This allows consumers to order goods through the Target mobile app and have these items brought to their cars by a store staff member. After an initial pilot program this summer, in October the retailer began offering ‘Drive Up’ to throughout the Minneapolis-St. Paul, Minnesota area.

Target also recently expanded its partnership with Google, rolling out ‘Google Express’ service nationwide. In this scenario, Target stores are used to deliver items in just two days. Target is also adding new voice-activated shopping features, and during this upcoming holiday season, staff members’ devices will be equipped to place guests’ orders online right from the sales floor, with the purchase shipped directly to consumers’ homes.