

Six Steps to E-Commerce Success



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Brands and e-commerce businesses thrive on fast-paced marketing and sales campaigns to engage customers and deliver a unique shopping experience. Without a physical location to engage customers in-person, the most successful brands must rely on intangibles such as fulfillment and warehousing to differentiate themselves. In addition to expediting orders, shipping, kitting, and the “out-of-box” experience are critical in addition to managing returns and synchronizing inventory.

“By design, e-commerce sales require a new set of tools, processes and skill-sets to keep pace with unique customer needs,” said Joal Savino, Executive Vice President of Mercedes Distribution Center. “The flow of inventory throughout the warehouse, and delivering a consistent, positive customer experience is what separates your brands from others and keeps them coming back for more.”

As the e-commerce model continues to evolve from flash sales to membership and subscription boxes, it is important for organizations to take a closer look at how their inventory and fulfillment are managed because traditional warehousing techniques are no longer sufficient.

Technology alone cannot solve the complexities of e-commerce; nor can automation and “smart warehouse” designs. The right combination of detail-oriented people and processes supported by a flexible warehouse management system (WMS) is critical.

Here are six steps every brand should follow to ensure e-commerce success:

1. Timing is Everything

To guarantee a positive customer experience, packages must be delivered on time. With an array of shipping options, including the emergence of same-day shipping, the expectations of “on-demand” customers need to be met through timely fulfillment and delivery.

Integrating e-commerce platforms with a WMS will ensure accurate order processing throughout the fulfillment lifecycle. This helps to mitigate returns, reduce costs and improve overall customer satisfaction.

2. Sporadic Order Flow

The around-the-clock cycle of e-commerce sales can greatly affect workflow and order fulfillment if not managed effectively. A deluge of orders may contain items from current sales as well as exchanges and returns from previous orders. Stock must be properly staged to expedite kitting and packaging, while maintaining accuracy to facilitate new orders.

Picking systems must be designed to permit order preparation and the fast retrieval of stock from various areas in the warehouse. Picking systems have an important influence on the fulfillment process and can impact stock rotation, order accuracy, and shipping.

3. Non-Linear Fulfillment Approach

As online shopping becomes even more accessible through mobile devices, brands are experiencing larger order volumes. To keep pace, fulfillment orders cannot be processed one at a time – they must be handled in bulk. A non-linear fulfillment approach is essential to optimizing production. Staging individual shipments on conveyors is not productive and is a waste of space and equipment. Orders must flow in bulk from picking to packing to shipping.

4. No Time for Downtime

Brands cannot tolerate downtime caused by IT-related issues such as upgrades, equipment malfunctions, and connectivity, as well as out of stock items or other inventory-related problems. A few minutes of downtime could equate to millions of dollars in lost revenue, while significantly impacting a brand's reputation.

The ubiquity of the Internet enables brands to generate orders 24 hours a day, further compounding the impact of downtime. While there may be peak periods based on geography or other cyclical factors, the right WMS platform can play a key role in ensuring uptime and expediting fulfillment. They can also enable a paperless environment to orchestrate orders, ensure accuracy and allow personnel to keep pace with high-volume periods.

5. Return to Sender

Today, more and more customers are shopping online to purchase a broad range of products. Thus, the influx and volume of transactions have resulted in more returns, challenging brands and retailers to process credits and exchanges, as well as the costs to update inventory. Botching a return can be subject to social media scrutiny, impacting a company's reputation.

To ensure a seamless customer experience, returns require just as much attention and effort as fulfillment and shipping. Optimizing the return process is crucial to profitability and can also be a key business differentiator that builds trust and brand loyalty. Returned items must be quality checked and neatly repackaged; those that don't meet strict quality standards should be taken out of inventory to ensure customers never receive a used or "recycled" product.

6. It is Always Personal

Presentation is just as important a sales tool as price and selection. Customers spanning all generations, from Traditionalists and Baby Boomers to Gen X and Millennials, all are now comfortable shopping online. Delivering a positive customer experience is vital to earn trust and recurring orders. Positive feedback, five-star customer reviews, and chatter on social media can influence purchase decisions and can make (or break) a brand's reputation.

Personalization is key to engage and connect with customers and can be extended to how a product is delivered and unpacked. Precise attention to detail does not go unnoticed. Hand packaging orders can elevate a brand's image and deliver a highly personalized out-of-box experience.

The value of personal touch cannot be facilitated through automation. Intelligent package design and well-trained packers can make all the difference and separate a brand from its competition.

The Next Wave of E-Commerce

Online shopping has completely changed how brands, both business-to-business and business-to-consumer, market and sell their products. Customers today often order on impulse with the expectation that if the product does not meet their satisfaction, they can simply return it. This mindset requires a new level of thinking around fulfillment, warehousing, inventory management, shipping and customer service.

Within the mobile-enabled, hyper-connected world of e-commerce, automating fulfillment without compromising the personal touch can be the secret sauce that separates successful brands from the rest.

Mercedes Distribution Center

Located in the heart of Brooklyn, Mercedes Distribution Center (MDC) is the premiere fulfillment operation that serves the unique needs of top e-commerce brands. The proximity of our facility within New York's e-commerce epicenter enables us to deliver a strategic hub that includes fulfillment, warehousing and a design studio, all backed by a powerful technology platform and over 60 years of experience.

For more information, visit: mdist.com

Interested in learning how MDC can help your e-commerce business?

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