

Les Echos

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Large retailers move increasingly towards multi-channel logistics

TRENDS// Tablet and smartphone purchases, which are boosting online sales, are pushing retailers to operate a unified logistics approach for both e-tail and retail orders.

If e-commerce has grown in France by 100% in 2014, according to the latest study by the FEVAD*, this is above all thanks to the growth of bricks-to-clicks, traditional retailers selling online. This online sales boom is the result of the rise in new purchasing methods, particularly m-commerce and tablets.

Smartphones allow the customer to buy from anywhere at any moment. They help to bring the internet into stores bringing together the physical world and online sales. The customer journey has almost no borders between the website and the shop. The buyer thus makes the most of both channels by using practises such as click and collect which mean buying online and then picking up the purchase in store (web-to-store) or alternatively ordering in store and then being delivered at home (store-to-web). These two channels are thus tightly interlinked. We are talking about a multi-channel or even omni-channel distribution.

La FNAC for example has made omni-channel sales the cornerstone of its growth strategy over the last few years "our web to store or store to web sales represented 35% of sales on our fnac.com website, versus 13% in 2013" illustrates Olivier Theulle, Director of Operations at La FNAC. It is worth adding that the retailer has implemented a "unique delivery offering". This includes free pick up of the order in store within one hour of the order, free unlimited home delivery in 24 hours for subscribers to the Express+ service and a chargeable delivery service for 3 hour delivery.



La FNAC has made omni-channel sales the cornerstone of its growth strategy over the last few years Photo Denis ALLARD/REA

Automated warehouses

Within this context, retailers are required to operate a logistics management which manages crossed channels, whereas previously this was managed separately. This is the case for La FNAC *“In order to carry out omni-channel delivery we have adapted our logistics organisation in order to make it the backbone of the crossed sales channels”* outlines Olivier Theulle. La FNAC has three warehouses in Essonne, its historic platform in Massy which is used essentially to supply stores with editorial products (books), toys, telephone and accessories and some technical items, the Wissous 1 warehouse is dedicated purely to the B2C and B2R delivery of editorial products and Wissous 2 which manages order of large and cumbersome products (flat screen TVs) for both B2C and B2R. *“We have industrialised our processes in all three warehouses by making large investments in automation, sorting machines, conveyers, robotic trolleys”* in order to adapt them to the complexity of our crossed channels” he explains.

Other retailers prefer to outsource their multi-channel logistics to specialists. Such is the case for Sephora, NocibÉ and Kiabi who work with Viapost, the e-commerce logistics provider belonging to La Poste. Viapost offers all size of retailer, full-service logistics for either in store, at work or home delivery. In order to do this, the e-logistics provider uses a network of 10 principally automated warehouses *“In order to respond to an increasingly high level of customer requirement with shorter and shorter delivery times, our logistics must be responsive, robust and flawless. As the main cornerstone of (e)retail, logistics should not be an “expense” for retailers but a way of making money which will help them develop their sales”* concludes Philippe Bourriot, Director of Strategy at Viapost.

-Bruno Mouly

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Translation by Viapost

*FEVAD: FÉdÉration de l’e-commerce et de la vente à distance / French e-commerce and distance sales association