

Final word

Your industry, your opinions



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The challenges of drop-ship

THERE is no doubt that in an increasingly online world, drop-shipping has become a vital component in maximising retail sales without the costs and risks associated with an increased stock holding.

By offering a wider assortment of products from a greater range of suppliers, retailers are able to expand their reach into new and existing markets without the confines of a physical inventory.

But as attractive as this proposition may sound, drop-shipping is not without its own unique set of challenges and any retailer taking on the drop-ship challenge will have to overcome certain hurdles in order to compete effectively.

As retailers increase the number of drop-ship suppliers in order to further grow their online offer, for example, a maze of logistical and customer service headaches lie in wait. Imagine the conundrum of vast amounts of consumer orders placed and fulfilled across a multitude of suppliers.

An uninformed retailer may be unaware of some of the behind-the-scenes difficulties, but will have to field the tsunami of unhappy customer enquires because, at the end of the day, as far as the customer is concerned, all unkept promises will be the fault of the retailer because that's where the order was placed.

End-to-end journey

So what is actually required by the retailer in order to efficiently manage the drop-ship process?

The all-encompassing answer is that maintaining visibility and control of the end-to-end process, including managing the customer experience, is absolutely vital.

Product information will be key to a successful journey. Enabling all new and existing suppliers, regardless of size or technical ability, to easily upload all product data, including product descriptions, rich imagery and, most importantly, accurate inventory levels, will see the retailer off to a flying start.

Without the confines of a limited drop-ship solution the retailer can manage any number of suppliers and any number of products – resulting in an increased speed to market, greater customer choice and bigger basket size.

And with one repository giving a true view of all stock levels in all locations, the retailer can begin to apply a set

of intelligent and adaptable business rules that will allow inventory from all suppliers to be utilised.

But what happens after an order has been placed? The only way for the retailer to completely manage the end-to-end process is to take ownership of the order cycle from start to finish – all the way to the customer's door.

Complete visibility

So the retailer allocates an order to the 'in stock' supplier, meeting all delivery criteria set by the consumer. The supplier accepts the order and the retailer can now view and manage the life cycle of the order – including order

acknowledgment, status updates, order dispatch and order delivery, all the way through to track-and-trace to the consumer's door.

With complete visibility and total control

throughout the entire order process, the retailer is fully informed and is able to deliver a quicker and more accurate response to the customer, greatly improving the buying experience. And even if there are any fulfilment delays, the retailer is able to react and resolve these prior to customer impact.

With a fluid, reactive drop-ship operation in place, the ability to offer the consumer greater choice becomes an achievable objective. In complete control, the retailer can now provide an agile offer to a loyal customer. Orders are dispatched to any designated delivery address or collection point, allowing for a multitude of delivery options in any time frame the consumer desires.

Carolyne Turnbull is Director of Marketing and Communications at Virtualstock. She has over 20 years of experience, developing and implementing strategic marketing initiatives that build brand awareness, acquire new customers and generate loyalty.

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