

## **Fast, Free, and Sustainable: How ‘Fulfillment’ Is Driving the Ecommerce Market**

Today’s consumers are incredibly switched on when it comes to buying from sustainable brands

The past 18 months have presented unimaginable challenges for many businesses seeking to stay afloat in times of crisis. But as with any challenge, shifting needs, perceptions, and practices develop opportunity, opening doors for product and service differentiation.

Notably, in this time, sustainability has moved its way to the forefront of many minds. Not only has the pandemic forced businesses to reevaluate commercial models for future resistance, but the constant reminder of issues regarding the climate crisis and ethical practices has magnified the need to think sustainably, too. But in this sense, sustainability is no longer a differentiator between businesses, but instead, an expected value any commercial enterprise must keep at its core.

The solution, therefore, lies in the way in which sustainability is injected into every business practice—from manufacture to fulfillment. In this article, we look at the latter end of a product’s journey, and how sustainability can help businesses gain an edge on the competition.

### **Free shipping. But at what cost?**

As it stands, fast and free shipping is proving an attractive offering, often outperforming other cost-saving strategies. Understandably, these deals grab the attention of deal-savvy consumers who want their items delivered quickly and without extra charges on top of their original basket cost.

In fact, how many of us have paused, hesitated, or even abandoned an order for the opposite reason? Well, you're not alone—64 percent of all online consumers expect their orders to be shipped for free and within five working days. What's more, 68 percent of us will check a returns policy before making a purchase. Present major obstacles here, and retailers will be providing an instant turn off in an ultracompetitive sales sphere.

Ultimately, an attractive delivery option can make all the difference in a customer choosing your products over a competitor's. Unless they have developed long-standing brand love, the chances of a customer remaining loyal to an offering that they can get for less and in quicker time elsewhere, are low.

This isn't to undermine the importance of sustainability and environmental responsibility, though. Although fast and free shipping is expected, it may not necessarily be the most ethical business model, particularly if it will mean greater emissions for more frequent deliveries, and cost-cutting measures in other areas of the business in order to make up for lost shipping fees.

Global reports state that consumers would be more likely to purchase from companies with an established reputation for sustainability, too. This suggests it is just as important for online businesses to focus their efforts on acting ethically as it is for them to fulfil orders efficiently.

But with the rise of online shopping, which has been propelled by the pandemic with a 48-percent increase in online spending coming as a result of lockdown restrictions, businesses may be finding themselves weighing up the two. Clearly, there is misalignment between consumer expectations and commercial values here, and choosing between the two will require more than a look at a business's bottom line.

### **Sustainability and credibility**

It should be noted that today's consumers are incredibly switched on when it comes to buying from sustainable brands. They can see through the smoke and mirrors or false claims to make informed decisions about the products and services they choose. And more often than not, these decisions are based on a brand's credibility.

Any business can say it is doing certain things to protect the planet and their people; however, not all can provide sufficient evidence. As competition increases, these are the businesses that are finding themselves falling behind.

We only need to look to recent examples such as Boohoo for proof. In 2020, the fast-fashion giant found itself in hot water when it was revealed it was not following sustainable or ethical business practices. Poor warehouse conditions, less than minimum-wage pay, and inadequate health and safety standards were just a few of the concerns.

As a result, the company experienced huge losses, with its share price falling by more than a third during the first two days of the scandal coming to light. There is an undeniable perception on sustainability and ethical working practices, and people do not want to support brands that don't support their economy and their people.

Interestingly however, as a fast-fashion retailer, Boohoo is renowned for its speedy shipping and low prices, even offering unlimited next-day delivery for a small, one-off yearly cost. Therefore, in this case, it is clear that efficient fulfillment alone is not enough to sustain commercial success. Its ethical responsibility had a larger part to play.

And while the company has attempted to correct its wrongdoings internally and then communicate these through marketing strategies, its tainted reputation is proving difficult to rebuild, suggesting just how important credibility is for a sustainable business.

But that's not all. When it comes to free and fast shipping, credibility continues to play a significant role in shaping consumers' perceptions of the service they are going to receive. For larger brands with established reputations, this is less of an issue, but for smaller companies that may be starting their ecommerce journey, it is vital to appear a reliable, trustworthy, and credible enterprise that is going to follow through with its promise of a fast and free delivery.

This may be through clear contact details for consumers to get in touch with queries; customer reviews; business information; and responsive and helpful

customer service via email, live chat, direct messaging, or phone calls, for example.

### **A balancing act**

Of course, building credibility will not solve every issue for a business, but it is a place to start. It is also a common denominator for sustainability and fulfillment, and can help businesses differentiate themselves from the competition.

However, the misalignment between attractive cost-saving deals and sustainable business practices can cause confusion. Often, lower delivery fees and fast shipping incentives, particularly for items that are already low in price, can set off alarm bells and leave customers questioning the ethical impact of their purchase. Alternatively, high fees and long delays can send customers looking elsewhere. Both are bad for business.

Instead, businesses need to find a balance. Find the point at which free and fast shipping can be offered without impacting profit margins, and therefore, the sustained success of the business. For example, ASOS offers free delivery for orders over £35 (roughly \$50). While the majority of its customers are likely to spend this amount anyway, those that are not are enticed to do so, generating greater income for the business and an attractive deal for the customer. In the minds of customers, the reasonable threshold amount helps justify the cost saving as a sustainable offer, rather than something that will put the business out of pocket and force them to act unethically elsewhere to make back lost earnings.

The threshold will be different for every business, but through the use of data and analytics tools, the amount that is best for your business can quite easily be found. These tools can also help centralize activity, from sourcing and manufacture to product marketing and post-purchase service. With this in place, processes can become much more streamlined, which can in turn increase the efficiency of order fulfillment. If things are delayed, for instance in the case of pandemic disruption, email updates can be automated, ensuring you are also providing high-quality customer service.

With all this in place, not only will a business be sustainable and efficient, but its credibility will go from strength to strength, too.

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**Edited by Hari Taneja, Mumbai  
email: [dlshahtrust@yahoo.co.in](mailto:dlshahtrust@yahoo.co.in)**