

## New Consumer Shopping Habits are Changing the Game

Consumers are changing the way they shop, and the retail landscape is transforming with them. To survive and thrive, retailers must meet consumers where they're at by adding omnichannel purchasing and delivery options.



### Reimagining Retail for Today's Consumer

Stores are prioritizing both online and physical location sales.

#### E-Commerce is Booming

- Online sales increased 14+% from 2020 to 2021, totalling nearly \$900 billion.



#### Brick and Mortar Remains Strong

- They account for nearly 80% of retail sales.
- Their sales growth outpaced e-commerce in 2021.

Closing a brick-and-mortar store decreases total market sales for a retailer by as much as **50%**



### The Future of the Retail Landscape

Stores will also have to change their MO and add new services to hold onto customers.

#### Using Stores as Fulfillment Centers

- Click-and-collect models like curbside pickup and buy online, pick up in store (BOPIS) increased by 107% in 2020. Analysts expect another 21% in 2022 and 20% in 2023, resulting in well above \$100 billion.
- Coresight Research shows that most stores that ship from mall locations save an average of 5-10% annually on final-mile costs.

#### Adding New Technology

- Nearly 50% of retailers have budgets for partnering with tech-enabled logistics service providers to make the most of their mall-based locations.

#### Providing Omnichannel Opportunities

- 73% of consumers use multiple channels during their buying journey. That means a visit online can easily result in an in-store purchase or vice versa.
- Customers also want options in how they receive their purchases, including home delivery, ship from store, and click and collect.
- Nearly 21% of everything sold online gets returned, so consumers expect a convenient and fast way to return items.

**Nearly 21% of everything sold online gets returned**

#### Creating a One-Stop Shop

- More diverse tenants, including doctors' offices, grocery stores, restaurants, day cares, pharmacies, logistics companies, and more, are moving in – making malls a one-stop shopping/errand destination.

#### Expanding Retail

- Digitally native brands are now opening physical stores or partnering with brands that already have them to capture a chunk of brick-and-mortar sales.



### The Modern Mall

Malls are changing to meet consumer shopping habits and company needs.



### Delivering in the Last Mile

Consumers demand fast deliveries and retailers will need to keep up.



#### Next- or Same-Day Delivery is Expected

Shoppers selected same-day or next-day options nearly 60% of the time with store-based retailers in 2021.

- 41% of consumers will pay additional fees for same-day delivery according to PricewaterhouseCoopers.
- A SOTI survey found that 45% of U.S. respondents will shop elsewhere if delivery or pickup takes longer than two days.

**84% of consumers won't buy from a retailer again if they had one bad delivery experience.**

#### Last-Mile Delivery is Expensive

The final mile of delivering to the consumer accounts for 53% of total shipping costs.

- Outbound last-mile shipments require multiple stops with low drop sizes, making it expensive, time-consuming and costly to the environment.
- Using ship-from-store/local fulfillment centers can lower carbon emissions by up to 26% according to Accenture and Frontier Economics.
- 28.6% of retailers can save 8%-10% of total last-mile delivery costs by using stores to fulfill e-commerce orders, primarily because stores are closer to customers than out-of-town distribution centers (Coresight Research)

## How Fillogic Helps Retailers Succeed

Fillogic helps retailers transform their retail ecosystem and improve service levels, reduce costs, enhance middle- and last-mile delivery, and optimize asset utilization through strategically located tech-enabled distribution hubs at malls.



#### Fulfillment

Fillogic hubs operate as full-service warehouses, saving retailers 20-30% in fulfillment costs. We offer store-based fulfillment (ship-from-store, BOPIS, curbside and lockers), direct-to-consumer and wholesale distribution.



#### Delivery Marketplace (DM)

Through API integration, retailers can give customers online access to ship and track information from Fillogic's network of national, regional and local multi-mode carriers. Fillogic's DM also saves 10-20% in transportation costs.



#### Sort/Seg/Pool

Fillogic hubs optimize the receiving and delivery of your inbound freight to mall-based stores as well as to middle- and final-mile locations.



#### Forward Staged Rapid Replenishment of Inventory

Retailers can avoid out-of-stocks by forward staging high-turning products in a Fillogic facility for rapid replenishment and leveraging their stored inventory to optimize and fulfill online and in-store sales at multiple locations.



#### Reverse Logistics

Hubs give retailers a convenient location for consolidating reverse logistics, including the ability to accept, process, ship and track customer returns and RTVs. Fillogic reduces the time it takes to get products back on the shelf from weeks to days.