

Aussie retailers need to adapt to a world built on speed

Written by The Conversation



Aussie retailers need to catch up to new, speedier rivals Shutterstock

A [recent survey](#) shows that Australians are feeling more time-poor than ever, with 45% of women and 36% of men feeling “always” or “often” rushed, or “pressed for time”. Meanwhile, research has identified that [almost one in four shoppers \(23%\) are willing to pay a premium for “same day” delivery](#)

.

In other words, consumers’ expectations are changing. Speed is becoming a point of difference, a new front of competition, between retailers. And many Australian retailers are lagging behind.

When a quarter of your customers are willing to pay a bit extra to have their online purchases delivered that afternoon, it is surprising more retailers are not investing in the “last-mile” – from the warehouse to the customer.

The threat

The advantage physical stores always had over online was immediacy. Walk in, grab it and go. While online retail had an endless range of choice and often lower prices, shoppers had to wait.

But “same day” delivery undermines that, combining the convenience of online shopping with the immediacy of bricks n’ mortar.

New retailers and logistics companies are selling us time and convenience just as much as they are selling products or services. Take Ur-bit, a delivery provider operating in Sweden, Paris and London; shop online and get them to pick up and deliver [to your home, office, and even your car](#)

Many in the US and UK have teamed up with third party providers like Lyft and Uber to achieve

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a same-day delivery. British supermarket Sainsbury's has more recently [begun trialing an app](#) allowing shoppers to order up to 20 products and have them delivered in an hour.

Meanwhile, Australian supermarkets are still only offering next day delivery, with [up to 3 hour delivery windows](#)

. Although admittedly, Coles [has started trialling](#) same-day delivery in some Melbourne stores.

The opportunity

While Australian retailers are threatened by speed, it is also an incredible opportunity. Australian retailers [may not be able to complete against the likes of Amazon](#) on product range and price, but speed may level the playing field.

Australian retailers have struggled with this since they started [selling through multiple channels](#) – stores, online and catalogues. In most cases today, Australian retailers are still pushing products to stores from warehouses, unpacking them, only to have [those same products re-packaged and forwarded to a customer's home](#)

This isn't very cost effective, and it also doesn't work in a context where stores are shipping smaller, individual orders directly to customers' homes.

What Australian retailers should be focusing on is building fulfilment centres, such as [The Iconics's new facility](#)

. These are facilities that are located close to customers, making it very quick and easy to deliver to homes and offices. No repacking required.

The construction of such fulfilment centres has become [something of an arms race](#) among online retailers,

[led by Amazon](#). It's time for Australian retailers to join in.

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But its not just speed that can give an advantage. In the past, delivery was dominated by a few companies, but today there are [myriad new players](#) who offer more than speed. They can arrange not only *when* a product is delivered, but *how* it arrives in a customer's hands - with flexible locations and timing.

Customers' expectations for flexible, fast and cheap same-day delivery is both a threat and an opportunity for Australia's major retailers. It is currently unclear who will win this race, but retailers must wake up to the demands of customers. Their competitors already have.

Gary Mortimer does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

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