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The Last Mile: Key Strategies for Big and Bulky Delivery

Big and bulky eCommerce sales continue to grow despite recent slowdowns, and future success depends on investing in the last mile. Discover where big and bulky retailers are enhancing delivery experiences and planning to invest further.

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Disclaimer:

All data without direct citations reference Bringg's annual retailer survey. The survey includes responses from 500 VP+ retail professionals spanning grocery, big & bulky, apparel, general retail, and more. The survey was conducted in Q1 2024.

Decreasing sales, but increasing market potential

Non-consumable spending is down for big and bulky retailers. Between 2017 and 2021, big and bulky sales experienced an 18.5% compound annual growth rate (CAGR)[1]. Now, sales are down 30-40% compared to 2022[2], and the current estimated CAGR through the end of 2025 sits at 11.8%[1].

But sales haven't flatlined. Recent forecasts show a strong market position through 2027. Two primary verticals, furniture and consumer electronics, remain among the top three eCommerce categories[3].

To navigate current headwinds while also ensuring future success, big and bulky retailers are making adjustments and an unignorable component is the last-mile.

Definition: Big and bulky retail

Big and bulky retail refers to products that are oversized, heavy, or both. It includes retail verticals like furniture, consumer electronics, appliances, and auto. These items typically require specialized handling, delivery, and storage, which sets operations apart from general eCommerce and parcel delivery.

01.

Last-mile challenges: Complex operations, soaring expectations

66% of big and bulky retailers say the last mile is a major challenge.

Big and bulky retailers have two unique eCommerce challenges. On one hand, these retailers have considerably different service levels and criteria for last-mile delivery. On the other, big and bulky purchases are often larger investments – heightening consumer expectations even more.

Unique operations that are difficult to scale

Ordering a couch is very different from ordering a pair of jeans.

Big and bulky retailers have a uniquely complex last mile, with 66% saying it's the most challenging step in the supply chain. Specialized equipment and highly certified drivers, longer estimated time on site (ETOS), complex installations, optimizing routes with less truck capacity – the list goes on.

Those are just a few of the delivery-specific factors. When it comes to operational efficiency, the two most difficult challenges are multi-carrier management and ensuring 3PLs provide consistent customer experiences.

Big and bulky retailers use third-party logistics providers (3PLs) for more than 50% of their deliveries and 71% work with 3-4 different 3PLs to supplement operations.

Ensuring consistent customer experiences

The number one benefit of 3PLs? Most retailers are using them to regionalize carrier networks to reduce delivery times to meet consumer demands. But the number one challenge is providing consistent delivery experiences.

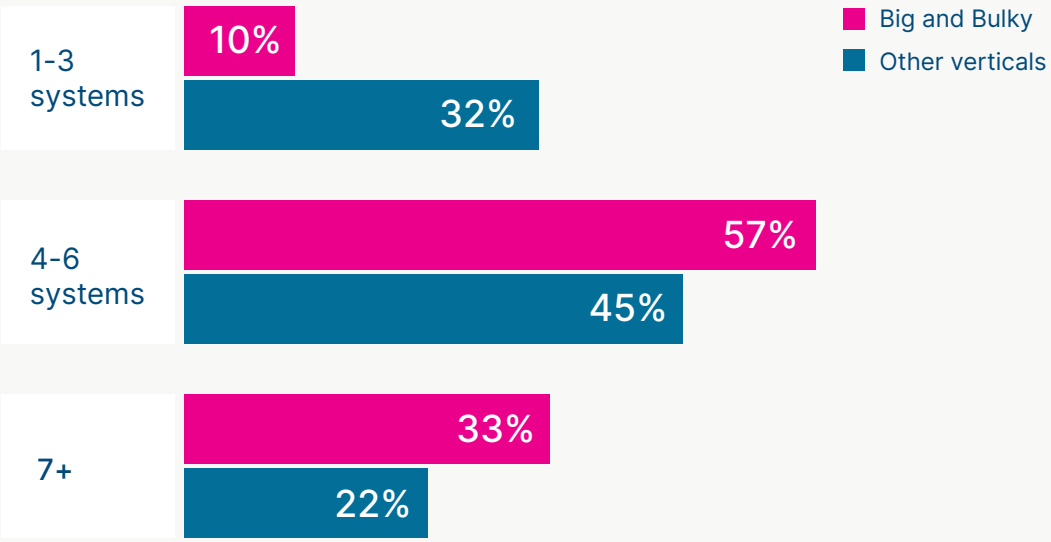
Considering 85% of customers will not shop with a retailer[4] again after having a poor delivery experience, retailers can't afford inconsistent experiences.

> 85% of customers will not shop with a retailer again after having a poor delivery experience[5]

Multi-carrier management and integrations

Big and bulky retailers are also juggling complex internal operations. These retailers utilize more last-mile systems than other sectors; 90% use more than four solutions, compared to the 67% average across grocery, apparel, and general retail.

While a larger tech stack may indicate business maturity, it also requires more oversight, making it difficult to solve business challenges, often leading to quick fixes to keep operations running.



The reality of sky-high delivery expectations

More expensive purchases lead to even higher expectations

Big and bulky deliveries face more scrutiny. Higher price tags lead shoppers to spend more time researching and comparing alternatives, increasing pressure on the post-purchase experience.

Delivery experiences directly impact revenue: 98%[5] of consumers consider delivery promises key for brand loyalty, and 85%[4] will not shop with a retailer again after a negative delivery experience.

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Retailers understand that delivery impacts revenue

Big and bulky retailers realize that pre- and post-purchase delivery experiences are highly impactful. Seventy-nine percent say delivery impacts customer loyalty, 75% say it affects overall customer lifetime value (CLV), and 67% agree that it impacts cart conversion.

Managing uniquely complex delivery operations and meeting heightened customer expectations places a lot of pressure on big and bulky retailers. What strategies are they implementing to efficiently manage demand and set themselves up for future success?

79% stated that delivery impacts customer loyalty

75% stated that delivery impacts customer lifetime value (CLV)

67% of respondents say delivery impacts cart conversion

02.

New last-mile approaches: Priorities, initiatives, and investments

Optimizing delivery and delighting shoppers is extremely difficult with fragmented systems.

Over the last couple of years, retailers have been investing in new delivery service levels (SLAs) and expanding their carrier networks to achieve faster delivery times.

Looking ahead, retailers are now focusing on the pre-purchase experience to expose new delivery options. They are using the last mile as a competitive advantage.

Recent investments:
More options and more flexibility

Recent investments focus on providing faster delivery SLAs to increase the number of options they provide to customers.

Same-day delivery

63% increase

Express (2-hour) delivery

55% increase

Retailers are increasing flexibility by proactively investing in hybrid-network capabilities across their owned and outsourced fleets.

Use of own fleet

61% increase

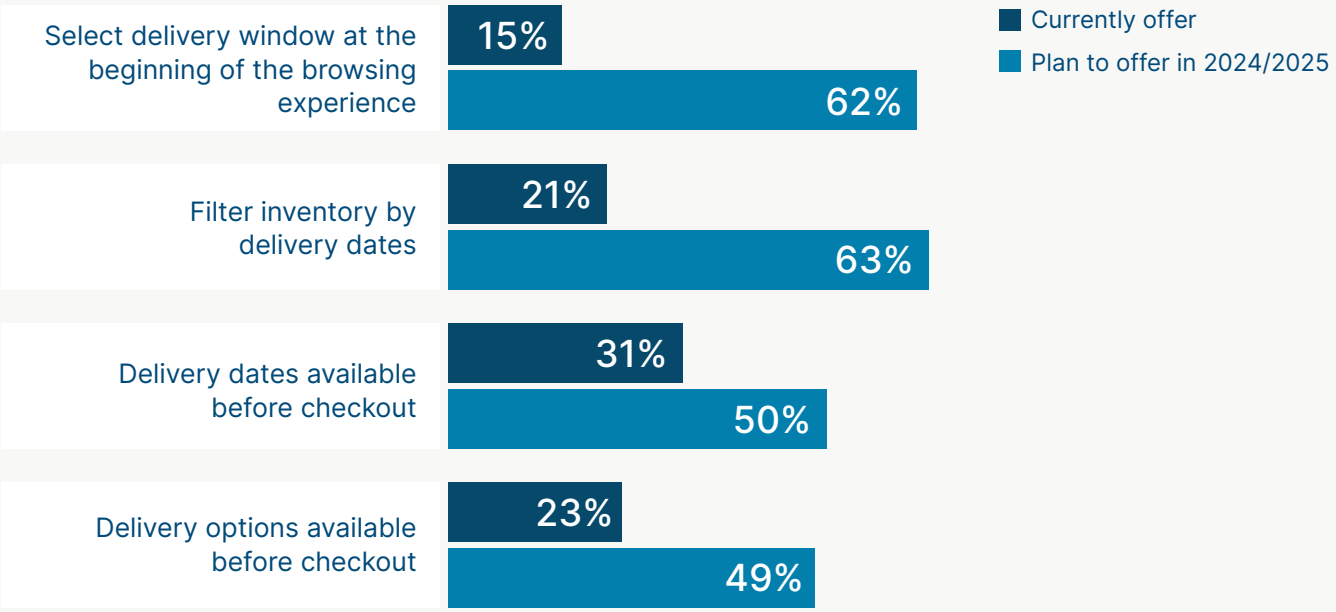
Third-party carriers

59% increase

Upcoming investments: Enhancing the pre-purchase experience

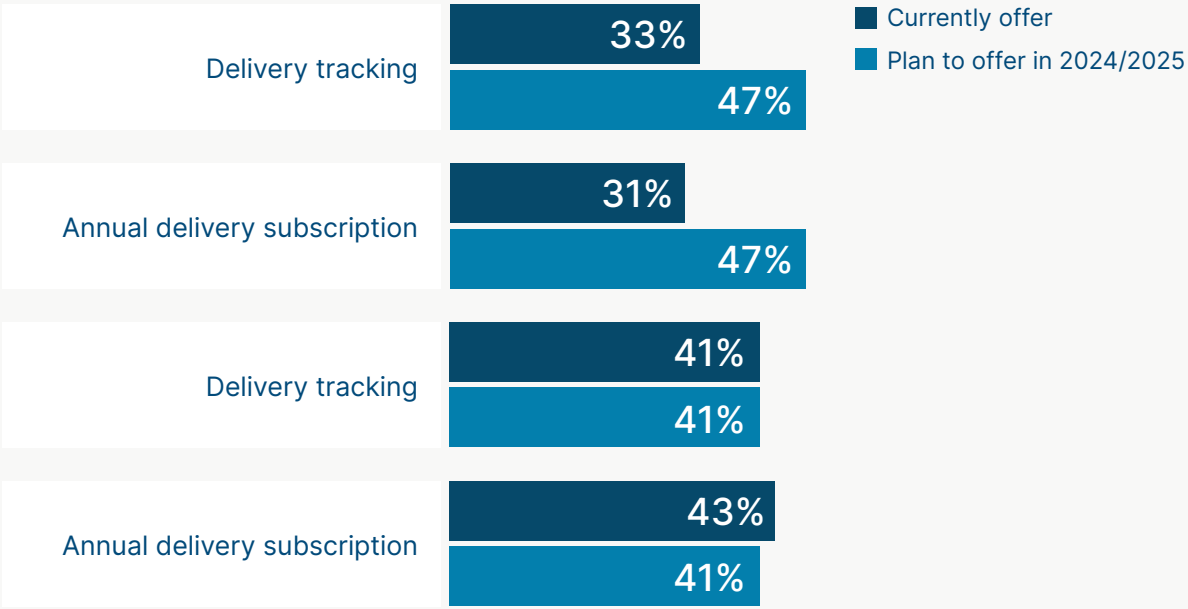
There is a noticeable shift between recent post-purchase operational investments to upcoming pre-purchase delivery experience investments. This transition suggests big and bulky retailers were laying the groundwork to offer and support more delivery options, and now they intend to expose delivery options earlier in the shopping experience. Not only can this help reduce cart abandonment, it can also turn the last mile into a competitive advantage.

Current vs upcoming delivery features



Additional upcoming, customer-centric investments

Additional enhancements like delivery tracking, subscriptions, and scheduling and rescheduling capabilities also add to a positive customer experience that builds trust.



Optimizing operations: New last-mile technology investments

Upcoming investments are anchored in customer experience and efficiency.

Digital transformation and leveraging new technologies to increase efficiency is also a key theme. For big and bulky retailers, last-mile digitization, operational visibility, and artificial intelligence / machine learning (AI/ML) are at he top of the list.

Last-mile digitization

71%

are investing in digital tools to automate processes and streamline operations

Visibility platforms

67%

are implementing systems to track and monitor deliveries in real time

Artificial intelligence and machine learning

66%

are investing in new technology to personalize and improve end-to-end shopping experiences

Additional investments in the post-purchase experience

Upcoming investments are around pre-purchase experiences and operational efficiency. Though retailers are still investing in the post-purchase experience and network optimization, it's at a lower rate than before. This may indicate that while these operations are in place, they aren't operating at peak efficiency. Additional post-purchase investments include:

More delivery options

68%

are continuing to expand delivery promises to stay competitive

Same-day delivery

55%

plan to invest in fast delivery options and compete with top competitors

Third-party carriers

39%

are increasing network capacity and services to support evolving delivery promises

03.

Finding the right solution: A connected last mile that scales

In today's competitive market, efficient delivery for big and bulky items is not just a logistics necessity; it's a strategic imperative. A comprehensive delivery management solution is central to business strategy for several reasons:

- Higher customer satisfaction and retention by making on-time and accurate deliveries
- Data-driven insights through advanced reporting and analytics to understand delivery performance
- Faster time-to-value with route optimization to reduce delays, unnecessary trips, and operational costs

Key features of comprehensive last-mile solutions

- **Route optimization:** Efficient route planning reduces delivery times and costs
- **Customer communications:** Real-time tracking and notifications keep customers informed and increase satisfaction
- **Inventory management:** Integrated systems and accurate inventory visibility help reduce stock-outs or overstocks
- **Visibility and control:** Real-time visibility into delivery operations and enhanced data management ensure better decision-making and performance monitoring
- **Risk mitigation:** Proactive risk identification and management help maintain service reliability and customer trust
- **Seasonal flexibility:** Flexible solutions that adjust to demand increase peak and off-peak efficiency
- **Partnership ecosystem:** Seamless integrations across systems like eCommerce checkouts, OMS, WMS, and more, improve data exchange for more cohesive operations

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In Conclusion

Efficient big and bulky delivery needs a tailored approach to address industry challenges. By investing in the right technology, retailers can automate manual processes, optimize any order type and fleet, and enhance customer experiences. This helps them balance cost reduction and customer satisfaction across complex last-mile operations, keeping them competitive in a dynamic market.

About Bringg

Global retailers and brands use Bringg's last-mile solutions to increase operational efficiency and deliver differentiated customer experiences. Using Bringg's modular technology platform, third-party carrier network, and services suite, leading retailers automate processes, optimize order delivery, and invent new business models – unlocking flexibility at scale.

Any order. Any fleet. Delivered.

Sources: 1. Armstrong & Associates, "Making it Count: Big and Bulky Last-Mile Delivery in the United States.", 2024; 2. Deloitte, "Consumer Signals", 2024; 3. eMarketer, "In the years ahead, the largest ecommerce categories will lose share as emerging categories grow", 2023; 4. Proship, "Beyond the Cart: The evolution of the customer experience and shipping trends", 2023; 5. Digital Commerce 360, 2024.