

E-Commerce Fulfillment

Moving Products to Customers

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What is fulfillment?

- **Moving products from manufacturer to consumer through the e-commerce supply chain**
- **Without an efficient and service-oriented fulfillment program, customers will soon desert an e-commerce site**
- **Savvy e-commerce start-ups ensure efficient fulfillment before a major launch**

E-commerce cannot eliminate the need to move products. Transportation and distribution functions become more complex because they involve small shipments to individual consumers.

What are the elements of the supply chain?

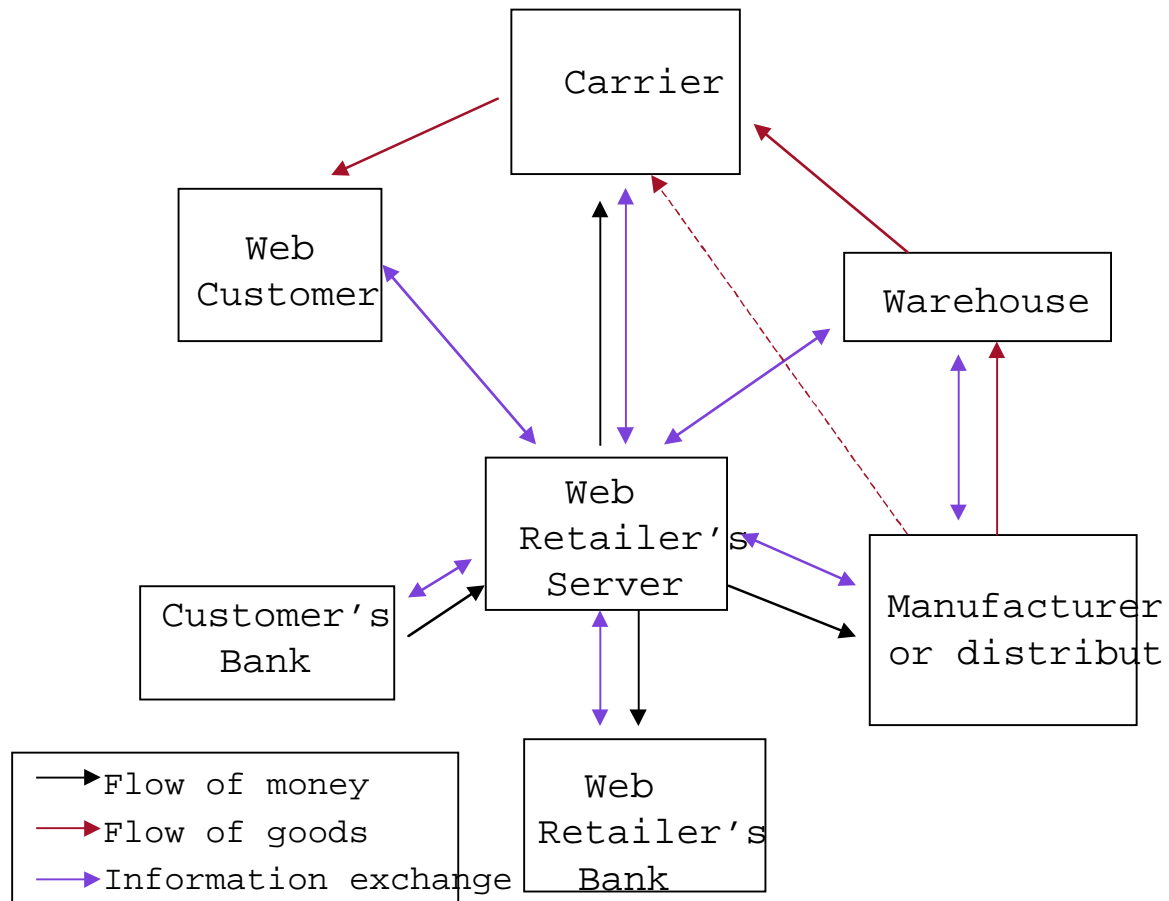
- Inventory management/warehousing
- Transportation
- Customer service
- Database management
- Customer returns

Who controls and oversees each portion of the supply chain?

The supply chain:

Manufacturer ▶ **Warehouse** ▶ **Distributor** ▶ **Retailer** ▶ **Customer**

The Flow of Information, Money, and Goods in E-commerce



Issues that affect warehousing decisions

- **Should I drop ship or warehouse?**
- **Do I want to consolidate my shipments?**
- **Who owns the merchandise?**
- **Should I own my warehouses or use a third-party provider?**
- **Where should I locate my warehouse?**
- **How many warehouses do I need?**
- **Should I automate my warehouse?**

Issues that affect carrier selection

- **What delivery options should I offer?**
- **What type of product do I have?**
- **How many carriers should I use?**
- **Should I pay for freight?**
- **How do I handle returns?**

Other issues

- **How much can I budget for fulfillment?**
- **How much time can I devote to fulfillment?**
- **Are my business data systems compatible with the fulfillment provider?**
- **Is the fulfillment system compatible with the types of products that are being sold?**
- **Can the fulfillment system grow with my company?**