

the future of retail report 2022

homeware edition

Helping you to grow your homeware business. Inside read:

- Luxury homeware brand Latzio shares the benefits of outsourcing fulfilment
- The Future of Retail
- Make or break? Essential packaging tips
- 7 top tips for your eCommerce website from an online shopping addict
- A guide to eFulfilment technology
- 6 reasons that **diamond** might be the fulfilment partner for you

luxury fulfilment with Latzio

Yousaf Barikzai, senior program manager of luxury homeware brand Latzio, shares his expert opinion on changing homeware trends, and the importance of working with an experienced logistics partner.

What trends are Latzio seeing in the high-end homeware market? How do you expect the market to change in the next five years?

We expect the high-end homeware market to grow substantially. Customers are constantly seeking new designs via social media. And with the option of customisation and faster delivery times, this market is growing at a higher percentage. We have also noticed new brands and designers entering the market.



*Kate Lester, Founder and CEO and
Dan Allin, Chief Product & Innovation Officer*

Kate and Dan of **diamond**logistics

diamondlogistics is experienced in supporting eCommerce shops with exceptional delivery solutions. Whether you design, manufacture, source or distribute your products, we have a delivery solution to suit. From designer vases, subscription boxes or stand-up paddle boards **diamond** has years of experience supporting unique brands store and deliver worldwide. Contact **diamond** today for your free fulfilment consultation.

Contact our sales team today for your free fulfilment consultation.

Tel: 0333 567 5888 Email: sales@diamondlogistics.co.uk

“ The ease of payments with 0% APR via providers such as Klarna are making the repayment process easy. ”

Brexit and the COVID-19 pandemic have forced businesses to operate differently. What has changed for you? How has **diamond supported you in achieving operational changes?**

Being an eCommerce company meant embracing technology in our workflows from the start. With the onset of the pandemic and lockdowns, we streamlined our processes and kept the communication via video calls with the **diamond** team.

How has **diamond supported your growth and the safe delivery of your products?**

diamond has been a crucial partner to our operation and has helped us with important business needs. Whether it be packaging for fragile products, international shipments or IT. This was especially true with the account managers, helping us at every turn.

What should homeware retailers think about when choosing a logistics partner?

The logistics partner is very important to homeware retailers, the main points would be the 2-man delivery service, a wide network where the homeware can be consolidated in the shipments to lower the outbound costs and collection service for large and bulky products.

What can we expect from Latzio in the next few years?

“ Latzio’s long term strategy is to expand its product range and explore the same-day delivery services that **diamond** has to offer, which means we will store our most popular goods in multiple warehouses. ”



supported

fearless

the future of retail



Kate Lester, founder and CEO of **diamondlogistics, offers a fearless opinion on the future of retail.**

We can see light at the end of the tunnel, in terms of the world emerging from the pandemic and lock down. New shops are opening, but the reality is retail habits have changed forever. As a class A shopaholic, I will be first out of the blocks. But shopping habits have undoubtedly changed.

“Some people will never go back to shopping the way they used to. The elderly, infirm or very time pressed. There is gold in these markets if you target them in a way that is attractive.”

Commodities or specialist goods are perfect for online. Household product sites like www.webother.co.uk makes it very easy to order bulky and cost-effective goods direct to your home. Equally specialist goods – like www.SacredGin.co.uk – are easier to source online as there are very few stockists of this premium product.

It's the stuff you want to try on, touch, feel or see – like furniture – that will drive retail moving forward. For example, buying shoes online is very hit and miss, as is buying furniture. The look, feel and weight of shoes is a touch-based experience.

A lot of people like their Saturday food shopping – I can't see this being eroded entirely – and substitution is annoying. But shopping at Waitrose for a few key products – and getting the bulk on Ocado – is a way of mixing modes of purchase and retaining the best bits for the consumer. And who wants to lug huge bags of shopping when you can get it delivered for a £5? And it's those last minute things – the capers and anchovies you decide you need for your dinner party – that your local delicatessen will always be strong at supplying.

big retailers

Retailers have to embrace multi-modal experiences including click & collect, home delivery as well as onsite shopping. Shopping experiences will need to be a big day out, so they have to be fun and engaging.

You won't just pop to the shops – there will have to be further motivation. Ikea has this nailed – albeit their delivery times on line aren't great at present. (Ikea if you need a hand you know where we are!).



Ikea is a great family outing. They not only showcase all their products in enviable showrooms so you can aspire to creating that space in your home, they offer a crèche and canteen – not to mention the inimitable meatballs – all of which make a great family day out.

Some key purchases will always be more aligned to a shop purchase. Car, furniture and carpet textiles for example, because the online experience is often slow (if you ask for samples and have to wait for them to be despatched for example). Whereas if you go to John Lewis Home, you can see, touch and feel your purchase on the same day.

There will be more showcasing in retail, whilst ordering will still be online. And customers will seek goods on multiple platforms – sale items on eBay and standard items on retailer sites with enhanced search facilities, for example

“It still staggers me that when you search for some standard items you can't find them on Google search. Retailers have to really master their digital marketing to stay ahead.”

small retailers

Small retailers need to build their brand and a local following for a dedicated audience. They are going to have to drive loyalty to win custom.

Use multiple platforms and a united inventory system to enable customers to buy from you and use the power of these platform's search engines to drive sales.

It's more likely eBay and Etsy will pip them to the post, rather than their own SEO. Utilise Google Shopping – it still gobsmacks me that it's (mostly) cheap importers which have mastered this – quality products are underrepresented.

Drive traffic through audience building on social – build that loyal base – and push offers out which lead to a shop experience for upselling opportunities. You still have to bat above your average in terms of delivery, shop experience or online (either own site or marketplace).

Experiential retail will drive customers, a day out not a pop to the shops. Other retail will become either a client loyalty driver – small, boutique, specialist, local – or simply a showcase.

Keep up with consumer demand – driving faster and faster deliveries. Sameday fulfilment is just around the corner and this will be a great step forward on the multi-modal retail revolution.



36.1%

“According to the Office for National Statistics (ONS), the proportion of retail sales made online increased to 36.1% in February 2021, the highest on record.”

make or break – key packaging tips for high-end homeware products

insight about the best packaging for homeware, and the government's plastic tax.

What are the hot topics in packaging right now?

“Retailers want (and need) sustainable packaging. The government is introducing a plastic tax which comes into effect from April 2022.”

And what trends are you seeing within high-end homeware retail?

People seem to be moving away from the norm, exploring new brands and niche items. The popularity of our high-end clients like Rory Dobner and Latzio, which are also stocked in department stores like Fortnum & Mason, shows that people are moving towards quality over quantity.

What is the plastic tax?

“The new tax applies to plastic packaging produced in, or imported into the UK that does not contain at least 30% recycled plastic.”

It will not apply to any plastic packaging which contains at least 30% recycled plastic, or any packaging which is not predominantly plastic by weight. Imported plastic packaging will be liable to the tax, whether the packaging is unfilled nor filled.



sustainable



specialist

Which packaging is best for luxury homeware products?

Because we specialise in high-end homeware we store and transport a lot of ceramics and super fragile items.

“ We’ve done our best to remove plastic — which is important to our clients — but so is getting the product to the customer in one piece. ”

If we’re sending a ceramic vase for example, we usually include inflatable recycled plastic packaging made with lower micron materials. It’s important to find the right balance, which tends to be a mix of paper and recycled plastic.

What about homeware products which are less fragile?

We tend to use a product called Geami if it’s small and semi-fragile.

“ It’s 100% recyclable and biodegradable protective paper — a nice alternative to bubble wrap. Quite often packaging isn’t pretty, but this is! ”

It’s effectively a giftable version of bubble wrap. It’s attractive because it concertinas into a honeycomb layer around the product. The cells interlock to firmly secure the items.

What about the customer experience?

Some of our clients provide very specific instructions for their boxed items which our Service Centre teams will follow. This is to ensure that every item is constructed to the same high standard and is dispatched in the layout they expect – whether it's box 1 or box 501 – they should look exactly the same.

“ We produce luxury packaging for Rory Dobner. We include a thank you postcard in an envelope which has a gold embossed logo on the front. It's beautiful. We also include the order slip with a branded sticker on it. If customers have a good un-boxing experience they'll talk about the brand in a positive light. ”

Customers receive a boutique experience from these luxury retail brands which is similar to a high-end department store. Beautifully wrapped and sealed.

And the box itself?

We use as standard double wall corrugate boxes here at **diamond**, which isn't always the standard across fulfilment centres. We want to ensure the products are as protected as possible to ensure safe delivery, but some clients use an e-com boxes which open like a pizza box, so it lifts at the front. This type of box is a brilliant marketing tool which people outside of the packaging industry are only just starting to learn about. A design or branding is printed on the inside rather than the outside.

“ By printing on the inside you get the wow factor as it's opened. You lift the lid and there's the brand with a message or perhaps the company slogan. It's a nice surprise for the customer. ”

And the large luxury homeware items?

We do move a variety of big and bulky items alongside Network Partners which specialise in two-person delivery. With these items it's more about the convenient delivery of the item than the packaging experience.

Within **diamond** there is always a reliable delivery solution for large homeware products. Whether it's a carrier option through our multi-carrier services or our own courier drivers delivering it, we can provide the support.



reliable

7 top tips for your eCommerce website from an online shopping addict

by Kate Lester, Founder and CEO of **diamondlogistics**

I buy a lot online. That's right, I'm a shopping addict. And whilst I've been testing the sites of **diamondlogistics'** retail clients, I've learned some lessons on customer experience.

Here's my advice for all you retailers operating an eCommerce website.

#1. Make paying VERY easy

It's a faff when you have to put in your address and billing details when you buy something online. The best websites either have Apple pay or Amazon Pay, which offer a one click payment experience. Trust me, online shoppers are lazy, we notice multiple click sites and love anything that makes it super easy to buy, buy, buy. And if you can't or won't do this then at least make sure that your payment choices are actually valid for your site.

“ I recently went through the whole process of creating an account on an eCommerce website with my Amex card, only to receive a message saying 'this card doesn't work with this site.' Despite the fact they have an Amex icon! ”

#2. Make sure your site works

Multiple sites I tested didn't update the basket. However I didn't discover this until checkout, which meant I had to go through the arduous process of deletion and basket updating, which was a bore. I also spotted broken URLs, missing descriptions etc... It just smacks of a lack of professionalism which deters that online purchase, particularly when buying from higher quality providers.



#3. Make it easy to navigate

Keep menus present and up-top consistently, so if you want to buy more you can do so easily. Have back buttons and intuitive site organisation. I'd say the best way to do this is NOT test the site yourself but ask friends and family with varying degrees of internet savvy to go through the buying process. If anyone gets stuck, particularly in your target market, then make changes to ensure ease of use.

ease of use

Add an 'other people who bought this also bought' function, which creates an upsell opportunity. Or a multiple offer – 'buy this bundle for XX.' I am a sucker for that and it adds value to individual sales.

#4. Make sure goods are in stock

“ Do not advertise products online if they are out of stock! Or at the very least say 'out of stock' on the product page, not when you get to the till. This is VERY annoying indeed! Make sure your webpage shows live inventory on your website. You'd lose a sale and future customer for sure if you accept an order, then have to go through a rebate/refund process. ”

#5. Have a great search and/or filter function

I don't want to scroll through pages trying to find my granddaughter a gift and then not be able to buy it in her size. Make it easy for people to find exactly what they want.

#6. Use an appropriate delivery carrier

Perception in that last mile is important. I recently bought a high-end jumper from one of our premium brands and was surprised at who delivered it. The nature of the delivery method was not in line with the premium product I was buying. I, like millions of other consumers, don't mind delivery costs. It saves me a trip to the shops. But I'm less impressed when goods are left in a recycling bin / puddle / not delivered on time etc. So use a quality carrier.

Don't get me wrong – our cheap and cheerful carriers do an amazing job which is fit for purpose for lower values goods. But when selling premium, think about a congruent delivery experience for your end user.

#7 Packaging is MUCH more important than you think

“ My key gripe is ridiculous amounts of packaging. It's so wasteful. Make sure your packaging is recycled/recyclable. I recently stopped using a dog food provider after years of asking them when their packaging would become recyclable. Consumers are savvy to this now. ”

And make unwrapping the delivery an experience if your brand is a quality one. It's a mini-Christmas for me when I open my weekly online purchases. I really appreciate the tasteful wrapping of quality goods, particularly if I am gifting them to others. Again this can be done for relatively little by a great fulfilment partner and believe you me, it makes all the difference.

If you'd like to test your online process and receive a free assessment from Kate Lester, email kate.lester@diamondlogistics.co.uk and include FREE ASSESSMENT in the subject line.

a guide to eFulfilment technology

Daniel Allin, Chief Product & Innovation Officer for **diamondlogistics**, who works closely with retailers FatStick Boards and Books that Matter, offers some advice on the eFulfilment tech which is expanding eCommerce capability.

Choosing the right fulfilment technology is vital to the success of any eCommerce business. Whilst the product may be selling and the website is doing its job in terms of attracting and engaging with buyers, all of this hard work can easily be undone if the post sales operation falls down.

“A smooth post sales process is essential in retaining repeat buyers.”

If it's broken, it can quite quickly lead to buyer frustration due to late delivery or in extreme cases, picking errors leading to the wrong goods arriving at the destination.

Good technology is also paramount when it comes to scale. Whether you are picking, packing and despatching yourself or outsourcing to a fulfilment partner, process is key.

Here are five simple things you need to look out for.

#1. Integration

In this modern age of technology, manually keying in order data into your warehouse management system should be avoided at all cost. For scale, you need a seamless flow of order information from your sales channel to your WMS. You are far more likely to achieve this if you use one of the more commonly used eCommerce sales channels.



marketplace

Whether you sell via major players or your own bespoke marketplace, we can integrate flexible fulfilment with your operation.



integration

#2. Live inventory with stock sync

The live transfer of stock and order data will give you a huge advantage.

“Knowing what you have to sell and how quickly you can fulfil will lead to happy consumers.”

If you get this bit wrong, you'll end up over promising and under-delivering, which will only alienate consumers.



#3. Knowing where stock is within your Fulfilment Centre

A good warehouse management system will not only show you where your stock is within your warehouse, but it should optimise your space efficiency. Transparency is crucial to effective and efficient storage.

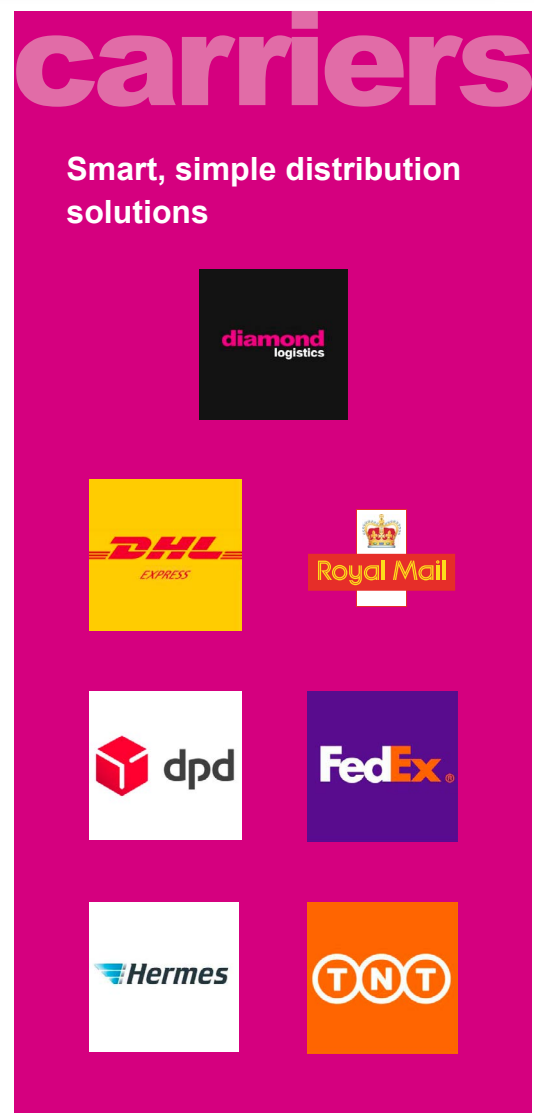
#4. An efficient pick and pack operation

If you want to scale up your sales, you'd better be prepared for it operationally. To ensure you can keep on growing without adding infinite bodies to your operation, your tech needs to do the heavy lifting. Optimised algorithms will help create efficiency when it comes to picking from the right locations in your warehouse, reducing walking distance and scanning barcodes to ensure the correct products are picked.

#5. The delivery

From the consumers perspective, the warehouse operation is an unseen, virtual operation that might as well happen on the moon. The delivery on the other hand is the physical transaction with the consumer – this bit really matters!

“Choose the best possible delivery partner, or better still, have multiple based upon value of order, size, weight, geographical location. Make sure your client is wowed and it will create repeat business.”

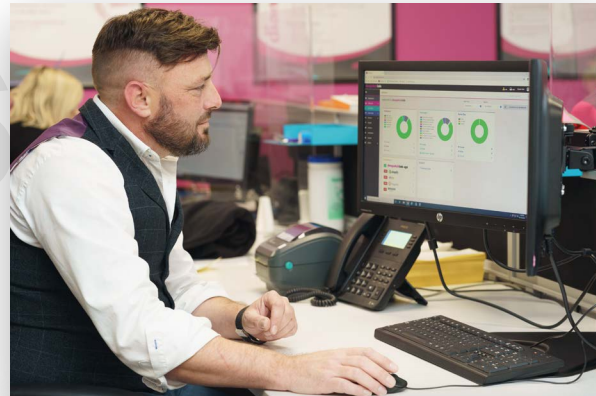


wowed

6 reasons to outsource your fulfilment to **diamond**logistics

leaders

- #1. Unlike most eCommerce providers we are happy to support launch brands. We have scaled 100s of businesses online and are truly dedicated to you expanding your homeware brand.
- #2. From single purchases to complex subscription boxes and multiple item picks, we really understand the importance of presentation, delivery and time scales to support your brand growth.
- #3. We have a packaging specialist here to advise you, so you can make sure your client's unwrapping experience is memorable and that goods are delivered intact as well as on time.
- #4. We are fully registered and audited by the HMRC Customs and Excise and can guide you in how to ensure you are 100% compliant. EU and global deliveries are made simple with our support.
- #5. Experienced in dealing with a variety of delivery destinations – local, national and global. And a variety of delivery types, whether direct-to-consumer or into retailers.
- #6. We offer local, national and global delivery and are leaders in same-day, overnight and international delivery.



experienced