

Supply chain commerce and the green imperative

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We are in the midst of a real-time, seismic shift as consumers transform expectations of global supply and demand models. To say change is afoot is an understatement, yet at the end of the day, the way revenue is generated has always been the same: keep your store shelves stocked, online orders shipped and consumers happy.

The difference between today's retail landscape and that of the past is that in 2022 there is exponentially more choice (of products, purchase options, fulfilment options, delivery options, payment options and more). Consumers control the buying journey, making it that much more complicated for the brands serving them to meet expectations. If the picture wasn't complex enough, many brands are still struggling to mitigate the effects of the aftershocks caused by the global pandemic, which include severe labour shortages in warehouses, at shipping docks and truck depots, and in stores with retail associates.

Finally, there is one unforeseen effect that is perhaps shaking brands to their core more than anything else. There is a strong emphasis from increasing numbers of consumers (driven primarily by the Gen Z demographic) on sustainability and 'green' credentials. Combined, these trends and challenges are creating the perfect stage for what we at Manhattan like to call supply chain commerce.

Unification

Supply chain commerce is not a gimmick or new market category. It is a far simpler, yet altogether more powerful concept. At its core, it is about unification and a new way to solve the age-old problem of supply and demand, and moving goods from point A to point B. Crucially, that means re-engineering physical and digital supply chains to connect them and bring them in step with consumer and societal expectations of greater responsibility – both today and tomorrow. In terms of demand, the last couple of years have seen vast numbers of consumers become omnichannel natives, making purchases from physical stores, online, call centres, through mobile apps, social media platforms and even pop-up stores. For these types of consumers, time is a premium and they expect businesses to know their likes (and dislikes) and to serve them how and where they want.

When considering supply, many brands still operate supply chains that pre-date omnichannel capabilities with some still managing ecommerce and physical stores independently of each other. Optimised for individual use cases and not agile enough to meet the continually shifting demands of modern consumers, these legacy systems simply no longer work in a digital-first retail landscape - both in terms of economics and crucially from an environmental perspective too.

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Gen Z

The shift in spending power toward Gen Z is a massive development in our time. While generational changes are a regular occurrence, maybe no shift is (or will be) more seismic than the rise of this ‘Zoomer’ group.

According to an article in Vogue, Gen Z consumers are 38 percent more likely to have shopped online in the last three months. They are willing to purchase across channels, have an appetite for higher-quality items and – just as importantly – are eager to stay on trend with cultural developments like sustainability.

This awareness of societal trends is leading to some key generational spending markers as well. Zoomers believe that the generations before them represented overconsumption, capitalism and materialism, meaning they are more likely to associate themselves, and their wallets, with brands that match their core values, such as environmentalism, equality and fair trade.

Supply chains are undoubtedly one of the fundamental pillars that underpin globalisation, capitalism and consumerism. Yet those issues are often cited as primary causes of the current climate emergency we face today. In our minds, supply chain commerce represents more than the direct fulfilment of supply and demand, it creates new opportunities for brands to deliver greener, more-sustainable products, shipping options, and return choices to consumers.



Greener options

The right technology can empower and enable companies to offer their consumers options that are more informed and greener at every stage of the purchasing process. It's at work from the moment a person clicks on a buy-now button, to a more-efficient packing process that reduces shipping volumes, to optimised transportation routing that reduces travel miles, trucks on the road and planes in the air. The end results are reduced CO2 emissions, exceptional customer experiences and greater alignment with consumer sentiments – all at the same time.

Unifying all elements of the buying journey – distribution, transportation and fulfilment – makes it all possible. That is what gives consumers and brands the ability to make last-minute order changes or combine shipments right up until items leave the warehouse, store, dark site or micro-fulfilment centre. Supply chain commerce gives the end-consumer tools to make greener, more sustainable purchasing decisions, and brands that do so will – likely – be rewarded with greater loyalty and repeat business.

Sliding doors

The integration of national economies into a global economic system has been one of the most significant developments of the last century. We must not lose sight of the fact that the flow of goods around the world is vitally important to the livelihoods and well-being of billions of people around the globe.

At the same time, we also have a duty to recognise that the movement of goods can be inherently hard on the

environment and a growing contingent of consumers demand that we do better – at Manhattan we agree.

Supply chain commerce offers capitalism a ‘sliding doors’ moment to take a different path. It represents a chance for capitalism to find its conscience and become a catalyst for a greener, more sustainable future where consumer expectations and the health of our planet can coexist together.



Ann Sung Ruckstuhl, Chief Marketing Officer

Manhattan Associates