

Businesses must urgently solve their e-commerce supply chain challenges to unlock the full value of this powerful channel

- New DHL report reveals majority of companies have failed to fully implement an
 e-commerce strategy despite recognizing its importance
- 70% of B2C companies and 60% of B2B companies are still working towards the full implementation of their strategy
- Both B2B and B2C customers rate customer service as the most important aspect of e-commerce
- Pressure to fulfil customer expectations continues to challenge businesses
 building out their e-commerce offerings

Bonn, July 9, 2019: DHL Supply Chain, world leader in contract logistics, today launched its latest research report on the evolution of e-commerce supply chains. The study shows that, despite understanding the vital importance of e-commerce on customer retention and satisfaction, most companies have failed to fully implement an e-commerce strategy.

The new insights are from a global survey of nearly 900 decision-makers responsible for logistics or supply chain management and e-commerce.

They reveal that 70% of B2C companies and 60% of B2B companies are still working towards the full implementation of their strategy, even though 70% of respondents rate e-commerce as 'Very Important' or 'Extremely Important' to their business in terms of volume and revenue.

The report, titled "The e-commerce supply chain: Overcoming growing pains", also uncovered the major barriers to full strategy implementation, which include changing customer expectation, pace of delivery, and limitations in existing infrastructure.

Nabil Malouli, Global e-Commerce Product Lead at DHL Supply Chain said, "It's clear to see the importance of considering quality customer service within the e-commerce strategy, but with customer expectations constantly evolving and changing, companies are under pressure to keep up with building out their e-commerce offerings – and the new supply chains they require, resulting in the challenge of full implementation.

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"Supply chains need to keep up with, and respond to new business models, service expectations and technological needs of customers in order to capture new ones and retain existing ones."

50 YEARS

The evolving demands of e-commerce means that in the next 3-5 years over 50% of businesses will be making some type of change to their distribution strategy. To deal with this pressure many companies are opting to partner with a third-party logistics companies (3PLs) to augment their in-house resources and capabilities, enabling them to quickly and effectively scale to capitalize on e-commerce opportunities.

Malouli added, "What companies need in the e-commerce journey depends on where they are coming from – they are all in different places in terms of implementing their e-commerce strategy, which means they will have different strategies and expectations about how to move forward with their supply chains.

"Many companies opt to partner with a 3PL(s) to help them respond to this changing environment while ensuring they have the expertise and flexibility to meet changing customer expectations."

For full insights on the research findings and how supply chains are evolving to solve the challenges posed by e-commerce, please download the report here: <u>here</u>

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Notes to Editors

About the Report - The survey captured the opinions and insights of nearly 900 decision makers responsible for logistics/supply chain management and e-commerce distribution strategy across the globe. Respondents hailed from all the major industry sectors, including retail, consumer goods, life sciences, high tech, auto and engineering and manufacturing (E&M).

50 Years DHL

In 2019 DHL is celebrating 50 years since the company's founding by three entrepreneurs in San Francisco in 1969. DHL began as a disruptor to the traditional delivery industry, circumventing bureaucracy with an innovative new service to deliver documents by air overnight. Since then, DHL has grown into a globe-spanning family of DHL companies with about 380,000 employees in over 220 countries and territories that covers the entire spectrum of logistics and supply chain services. DHL's customer-centricity and can-do culture have fueled five decades of innovation – from the DHL 1000, one of the first word processing computers in the world, to using the purpose built StreetScooter, an environmentally friendly delivery vehicle powered by an electric drive and developed by Deutsche Post DHL Group. With the Mission 2050 commitment to reach zero group-wide emissions by 2050, DHL is continuing to be a trailblazer in the logistics industry.

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including technology, life sciences and healthcare, energy, automotive and retail, a proven commitment to corporate responsibility and an unrivalled presence in developing markets, DHL is decisively positioned as "The logistics company for the world".

DHL is part of Deutsche Post DHL Group. The Group generated revenues of more than 61 billion euros in 2018.