

TOP 5 TRENDS

DRIVING THE SHIPPING & LOGISTICS INDUSTRY

A WNS PERSPECTIVE



WNS



Fully-branded Experience



Smarter & Speedier Services



Secure Interconnected Ecosystems



Innovative Business Models



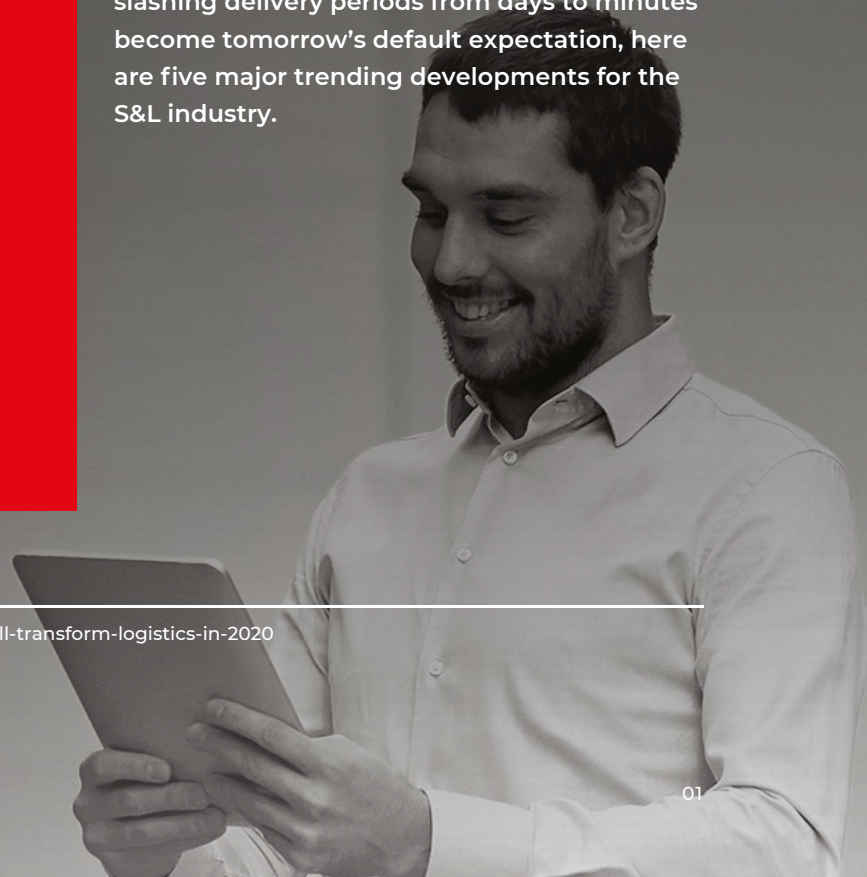
'Green' Logistics

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A WNS Perspective

The 2019 Performance Logistique Conference in Montreal threw an interesting question to the participants – comprising distributors, Third-party Logistics Providers (3PL) and carriers. "What is the most important success factor in logistics?" Client expectations scored the highest (50 percent), followed by technology (33 percent) and human resources (16 percent). Transportation management stood fourth at 4 percent.¹

This gives an unequivocal pointer to tomorrow's trends in Shipping and Logistics (S&L). The industry is strongly evolving beyond an efficient delivery system into a pivotal marketing mechanism — one that places customers at the core and leverages technology to acquire, delight and retain them. The phenomenal growth of e-commerce has brought customer-centric control as the defining focus for change in the future movement of goods. As today's achievement of slashing delivery periods from days to minutes become tomorrow's default expectation, here are five major trending developments for the S&L industry.



¹<https://freightpath.io/post/these-are-the-3-trends-that-will-transform-logistics-in-2020>



FULLY-BRANDED EXPERIENCE

The industry is expected to move away from an operational mindset to wearing the customer-centric marketer hat. The current USD 3.46 Trillion global e-commerce market² is reason enough for S&L companies to look at delivery as an experience — driven by branding, user experience, speed, visibility and transparency.

As technology advancement, cost and efficiency change the landscape, inadequate delivery options and long shipping times that were key reasons for cart abandonment will disappear. Fulfilment will move from faster and more flexible delivery options to direct-to-customer models. This will help cut down warehousing fees as well as the cost of deploying 3PL companies. Amazon's Seller Fulfilled Prime is a good example of this practice. It allows the merchant to ship directly to the consumer — and removes Amazon from the fulfillment process.

Fully-branded shipping experiences will emerge, especially for small- and medium-size businesses — through customizable tracking pages and printing logos on carrier-approved shipping labels. For example, a U.S.-based S&L company offers branded tracking pages to enhance consumers' post-purchase experience. All the information that a consumer may need is customized and made available on a single page.³



SMARTER & SPEEDIER SERVICES

Poised to reach USD 12,256 Billion by 2022,⁴ the massive growth of the S&L industry will be shaped by digital technologies that are customized to suit diverse needs. Artificial Intelligence (AI), machine learning algorithms and predictive analytics will improve demand forecasting and pave the way for advanced geo-coding features. Additionally, the combination of AI and warehouse automation will boost speed and productivity while curbing operating costs.

Self-driving trucks and drones will not only lend carriers and last-mile logistics providers more efficiency, but will generate real-time data to further optimize their business. Real-time freight tracking software and devices, sensors and location-based intelligence will create greater supply chain visibility to develop 'elastic logistics' strategies.

Digital twin technology will model new-age supply chains and streamline logistics to efficiently plan delivery routes and networks, speed up operations, proactively plan activities and manage issues even before they occur. Omni-channel logistics platforms will synchronize distribution, inventory and logistics across all sales channels to bring efficient simplicity.

²<https://www.shipengine.com/looking-ahead-shipping-trends-for-2020/>

³<https://www.shipengine.com/>

⁴<https://www.entrepreneur.com/article/344358>



SECURE INTERCONNECTED ECOSYSTEMS

Blockchain-based solutions will enable S&L companies to develop and leverage more meaningful metrics and analytics for sharper operational intelligence. A distributed ledger technology, blockchain can continuously record and secure transactions across the supply chain to provide a single source of truth, right from transportation to distribution to the final point of sale.

A U.S.-based neural supply chain platform, powered by blockchain technology, is creating an end-to-end shipping journey on a single platform, thereby interconnecting the entire ecosystem of S&L stakeholders (cargo owners, carriers, freight forwarders, ports and customs).⁵ Such ecosystems will certainly enable significant improvements in the areas of security, transparency and governance. In fact, Blockchain in Transport Alliance (BiTA), a 300-member-strong global group, has been set up to tap the potential of this technology in the S&L industry.



INNOVATIVE BUSINESS MODELS

In the new decade starting from 2020, cloud computing and software-as-a-service models will take center-stage. Tailored subscription-based models of cloud products will increase. Besides saving time, money and resources, this will also provide interoperability among multiple stakeholders and technologies.

Partnerships will further increase — and they will enable S&L companies to reduce costs, minimize risks and delays, and increase customer value and satisfaction. Alliances will be forged to deploy innovative digital solutions, improve accuracy of forecasts, reduce inventories and minimize administrative work.

The growth of 'sharing' models will accelerate considerably. Apps will become more ubiquitous in logistics. For example, Flexport, Hub Group and Uber Technologies have transformed freight companies to high-tech brokers with their digital platforms that connect users with vendors. This enables faster and more efficient freight handling, reduces transportation costs and consolidates disparate shipments (thereby decreasing carbon footprint). Entrepreneurship will evolve, leveraging omni-present logistics platforms to offer end-to-end solutions.

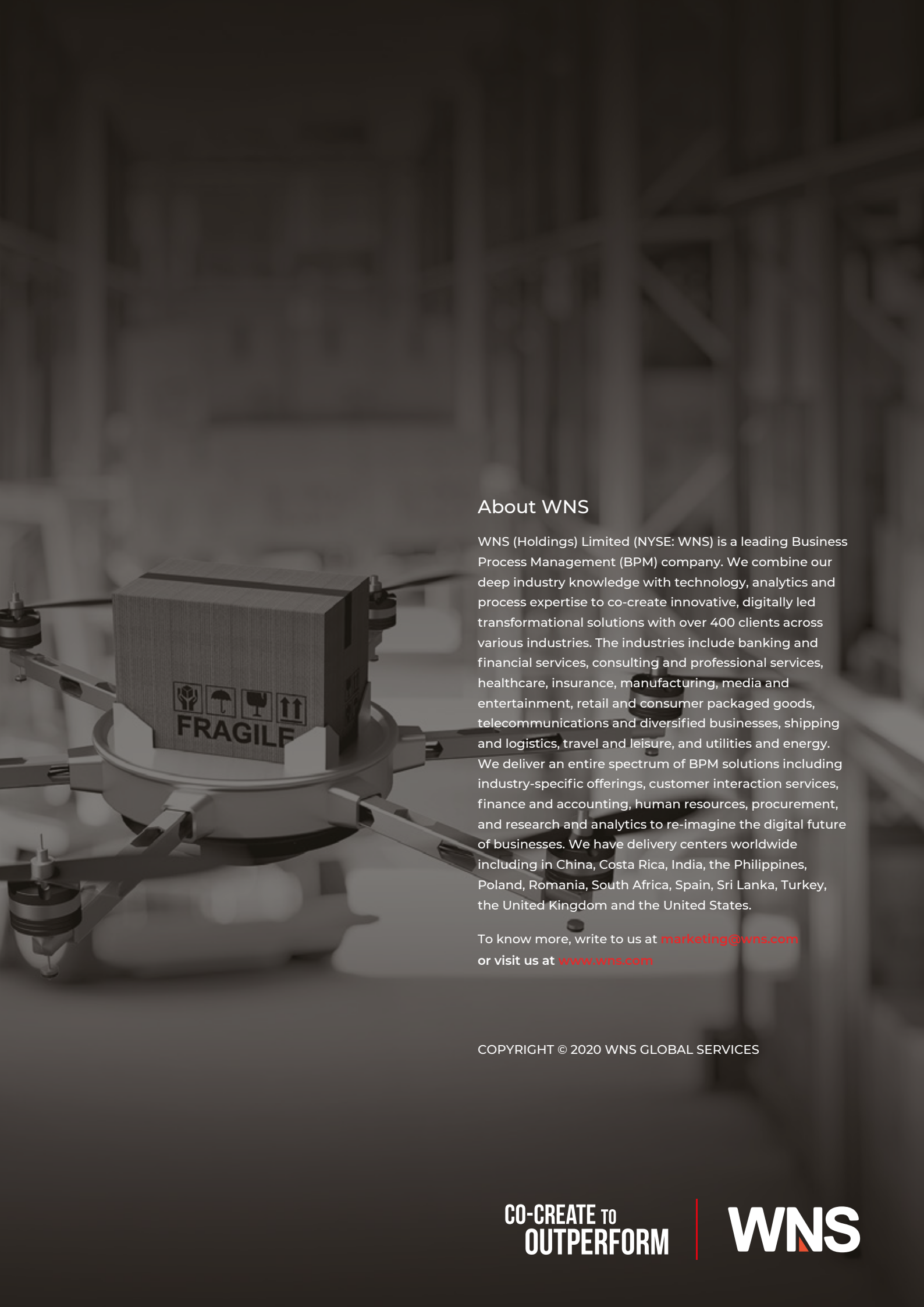
⁵ <https://www.tradelens.com/about>



'GREEN' LOGISTICS

Green logistics will become a widespread reality with S&L companies integrating sustainability into their strategy and operations. It is no secret that traditional S&L systems contribute significantly to carbon emissions. Sporadic efforts to become more environment-friendly will take firmer resolve, which will contribute to improving brand reputation and customer loyalty, while lowering supply chain costs.

All the trends point to the emergence of a next-generation network in the movement of goods. The underpinning elements of this network will provide the ability to form robust, connected systems. This will enable efficient prediction and harnessing of relevant data for sharper decision-making, thereby helping find the right balance between human intellect and machine efficiency.



About WNS

WNS (Holdings) Limited (NYSE: WNS) is a leading Business Process Management (BPM) company. We combine our deep industry knowledge with technology, analytics and process expertise to co-create innovative, digitally led transformational solutions with over 400 clients across various industries. The industries include banking and financial services, consulting and professional services, healthcare, insurance, manufacturing, media and entertainment, retail and consumer packaged goods, telecommunications and diversified businesses, shipping and logistics, travel and leisure, and utilities and energy. We deliver an entire spectrum of BPM solutions including industry-specific offerings, customer interaction services, finance and accounting, human resources, procurement, and research and analytics to re-imagine the digital future of businesses. We have delivery centers worldwide including in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Spain, Sri Lanka, Turkey, the United Kingdom and the United States.

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