**3PL Central**

An Extensiv Company

**3PL GROWTH STRATEGIES:**

# HOW TO ATTRACT AND RETAIN MORE ECOMMERCE BUSINESS

# With new 3PLs emerging, competition in logistics has increased dramatically. New game plans have become a necessity to attract and retain ecommerce business.

Strategic marketing tactics to accelerate growth have never been more imperative to maintain an edge. Third-party logistics (3PL) warehouses want to hold onto their current customers while forming new alliances with emerging ecommerce businesses.

The complexity of supply chains has evolved substantially as organizations focus on core competencies to ensure speed to market, analytic-based decisions, and greater cost efficiency.

This growth remains the driving force for all ecommerce merchants, but they need assistance with logistics. Forming a partnership becomes a win/win for everyone involved; the 3PL and the ecommerce business both grow while meeting each other's needs.

The ability to scale, attract new customers, offer extended geographic coverage, and provide innovative services are just a few ways 3PLs have stepped up their game to serve ecommerce businesses.

Using ecommerce workflow-driven growth strategies can differentiate your 3PL from your competitors, providing the promise of future success by forming concrete ecommerce best practice workflows.

# 3 Reasons an Ecommerce Business Chooses a 3PL

To effectively attract and retain more customers for your 3PL warehouse, you need to understand the reasons why they choose third-party logistics warehouses in the first place.

The most common reasons include:

## Flexibility, Scalability, and Cost Control

Most ecommerce businesses are not Amazon. They start out small and grow slowly. Operating their own in-house fulfillment and logistics becomes expensive. A 3PL provides flexibility by catering to small ecommerce businesses and scaling when needed to keep costs under control so everyone benefits. Often times, 3PLs have multiple warehouses that are located in different geographic locations, which can help with the speed of delivery and the cost of shipping. 3PLs also are often able to leverage economies of scale when it comes to shipping contracts to provide better rates.

## Time Savings and Greater Efficiency

An ecommerce merchant wants to focus on selling and not have their energies stretched thin by coping with logistics. Turning to a 3PL frees up time and improves efficiencies, especially when the 3PL offers ecommerce workflows built into their standardized processes. Additionally, a 3PL often has more robust warehouse management system (WMS) software to drive efficiency and accuracy for their fulfillment programs.

## Technology and Expertise

Embracing technology gives a 3PL the edge needed to better attract ecommerce businesses. The 3PL provides far greater efficiency to meet the growing demands of their customers. For example, if a 3PL services 20 other ecommerce companies, they bring that experience in the form of recommendations, expertise, and scalable workflows that a brand might otherwise not have access to.

# Uniting to Form a Partnership

As a 3PL, you are not just providing services to an ecommerce merchant. You're actually laying a foundation for a long-term fruitful relationship and partnership. Your 3PL will grow alongside your customers.

A successful 3PL and brand partnership should save the ecommerce merchant time and money by relying on the efficiency of your 3PL to manage things so they can focus on growing their business.

If you ask an ecommerce merchant about their main pain points, they will outline the following:

**Order accuracy**

**Inventory management**

**Delivery speed**

**Affordable shipping rates**

**Integration into shopping carts and marketplaces**

**Visibility into all operations**

# Speed is the Name of the Game

In today's fast paced world, ecommerce businesses struggle to meet the needs of consumers at the rate consumers expect. Speed has become a form of currency in business.

The craving for faster delivery has emerged as a direct result of Amazon's two-day delivery service. Now people are spoiled and want their goods delivered immediately. 3PLs who want to attract and retain ecommerce businesses need to accelerate the pace and not lag or risk losing their competitive edge.

Digital transformation increases the momentum of any logistics provider. Logistics technology provides the tools needed to ensure that a 3PL warehouse can quickly ship orders while retaining 100% accuracy.

# Provide Rate Shopping and Scalability

A large ecommerce business wants to partner with a 3PL who will also scale to meet demand. First, a merchant needs thousands of orders shipped, then tens of thousands, and, finally, an even greater volume as their business grows.

An ecommerce business will rate shop because even small savings will quickly add up to thousands as the business grows. A merchant wants a 3PL partner who provides not only the best deal on shipping but can also continue to scale.

A [warehouse management system (WMS)](#), such as 3PL Warehouse Manager, automates tasks for each shipment and can effortlessly meet volume demands through functions like high-volume parcel shipping.

# Provide WMS Integrations

A 3PL warehouse has to offer full visibility to their customers, and the most efficient way to do this is through a warehouse management system (WMS).

A WMS can provide full shopping cart and marketplace integrations enabling a smooth transfer of all data which flows from the online platform to the warehouse to optimize pick, pack, and ship process and accelerate delivery speed.

An efficient WMS integrates with the online storefront to ensure rapid order processing and to streamline fulfillment. Everything starts as soon as a consumer starts to place an order.

A bi-directional integration will confirm with the WMS what inventory is available or what might be backordered, so that the consumer has the correct expectation about their order. It also provides the merchant full visibility to

know exactly what is going on with all products throughout the warehouse, and current inventory levels.

Once an order is placed, the order will be fed into the WMS to get processed for fulfillment. Once the package is sent to the shipping carrier, the WMS will feed shipping time and any tracking data back to the merchant's system to communicate status with the consumer.

# Complete Visibility

Your customers want to check the status of shipments and inventory counts rapidly. A 3PL that offers merchants complete visibility helps build trust and solidifies the partnership.

Merchants want visibility at all times on:

| | |
|---|---|
| ✓ Receiving | ✓ Picking |
| ✓ Shipping | ✓ Inventory availability by SKU |
| | ✓ In process orders |

Complete visibility often acts as the differentiator between 3PLs that can make the difference in attracting and retaining ecommerce business. With the right WMS, you may even be able to provide a customer portal that will give this level of visibility to your ecommerce customers.

# How to Get Your 3PL Noticed

Marketing is always key and ensuring you have a quality website optimized to get you to the top of search engine is very important.
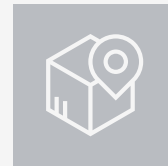
Ask your customers for referrals.

Expand your geographical reach and service speed by partnering with other 3PLs. Extensiv has launched Network Manager to help connect 3PLs.

Visit www.extensiv.com/network-manager for more details.

Join Extensiv's Fulfillment Marketplace, which allows brands to easily search for 3PLs with various services including ecommerce services, shipping and fulfillment services, and desired geographical locations.

Visit www.extensiv.com/fulfillment-marketplace to learn more.

# Conclusion

[Studies](#) project that US ecommerce sales will grow over 16% to $1.06 trillion by the end of 2022. The rapid growth has sent businesses scrambling to seek out logistics providers to help with warehousing, shipping, delivery, and more.

The association formed between an ecommerce merchant and a 3PL can quickly become exceptionally lucrative for everyone involved as both businesses scale together and expand their bottom lines.

Forming long term partnerships with an ecommerce business holds a great deal of opportunity for everyone involved. A 3PL simply has to attract and retain the unions by standing apart from the competition.

# About 3PL Central, an Extensiv Company

3PL Central, an Extensiv company, is the leader in cloud-based warehouse management system (WMS) solutions built to meet the unique needs of the 3PL warehousing community. Serving as the backbone of our customer's operations, our platform quickly transforms paper-based, error-prone businesses into service leaders who can focus on customer satisfaction, operate more efficiently, and grow faster. Offering a comprehensive warehouse management platform, we make it easy for 3PLs to manage inventory, automate routine tasks, and deliver complete visibility to their customers. To learn more, please visit www.3plcentral.com.

# About Extensiv

Extensiv is a visionary technology leader focused on creating the future of omnichannel fulfillment. Through our unrivaled network of more than 1,500 connected 3PLs and a suite of integrated, cloud-native warehouse, order, and inventory management platforms, we enable modern merchants and brands to fulfill demand anywhere with superior flexibility and scale without painful platform migrations. More than 25,000 logistics professionals and thousands of brands trust Extensiv every day to drive commerce at the pace that modern consumers expect. Visit www.extensiv.com to learn more.



Interested in learning how we can partner with your warehouse and help you prepare for growth?

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