

# Five logistics trends to look out for in 2016

By  Nicci Botha

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By embracing technology, supply chains will be able to deliver on time and within budget this year, despite slow economic growth, increasing costs and rapidly changing consumer behaviour.



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## 1. Omnichannel fulfilment

In the United States alone revenue in the [e-commerce market](#) amounts to US\$ 287,392.2 million in 2015, while Chinese consumers made online purchases of US\$ 247,036.4 million

So, there is absolutely no doubt that even more internet users will shop online in 2016, thereby forcing traditional retailers to rethink their business strategies. "This creates an incentive to have smaller and more numerous distribution centres located near city centres. Large retail locations will turn into small showrooms with attached fulfilment centres," says Jordan England-Nelson on [cargomatic.com](#).

## 2. Real-time inventory management

According to a blog on emerging trends on [plslogistics.com](#), leading retailers will begin implementing mobile point of sale (POS) systems, beacons, sensors and other technology that will revolutionise inventory management and the whole buying experience.

"Customers will be able to pick up an item and simply walk out of the store, with the price of the item automatically charged to their card. Real-time visibility, both in the store and throughout the supply chain, will allow inventory to be replaced as it is moved, and items produced as they are bought," it says.

## 3. Collaborative relationships

Although shippers have relied on third-party logistics service providers for a while now, there has been an upswing in them collaborating with their direct competitors through consolidating loads and sharing transportation data to guarantee capacity and lower costs.

Logistics service providers too can benefit from building relationships with their competitors, and tapping into information technology to market underutilised capacity on virtual marketplaces.

#### 4. Flexible, transparent, responsible supply chains

"While agile and sustainable supply chains have been a buzzword for a number of years, 2016 will start to see the dominance of supply chains that have figured out how to balance being flexible with reducing environmental impact and stakeholder demands for complete transparency."

"Real-time system integration, secure data exchange, visibility and traceability between disparate systems across multiple supply chains and industry verticals are just some of the options already available through technology," says Grant Marshbank, Chief Operations Officer of VSc Solutions. [Click here](#).

#### 5. Technology as core strategic driver

"The demand is growing for technology that can successfully translate any electronic message into any format required by existing systems, allowing for full electronic data communication between client and supplier bases," says Marshbank.

While England-Nelson comments that massive streams of data are taking business intelligence and analytics to a new level of sophistication. By analysing 'big data' and teasing out key messages, companies stand to profit handsomely from all of this data collection. "As more firms recognise the value of sharing their datasets, trans-network data systems will proliferate. Downstream data analysis reduces forecasting errors as data analysis becomes more sophisticated, shared datasets become more valuable," he says.

The United Nation predicts that the global population will reach 8.3 billion by 2030, with demand for food and energy increasing by 50% and water demand increasing by 30%, which will inevitably drive up production and delivery costs. Balanced with consumers' demand for companies to take greater social responsibility, supply chain providers are going to have to invest in faster, better and smarter technology.

#### ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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