

Impact of multi-channel retail on logistics - report

The growth of online retail is transforming the way consumers shop, not least by generating multiple channels through which they can research products and make purchases. At the same time, it has added significant complexity to the logistics operations of retailers. Jones Lang LaSalle has released a report on the impact of multi-channel retail on logistics.

Key findings

- The growth in online retail sales will drive significant new demand for logistics real estate.
- This demand will require a variety of different types of logistics facilities, including fulfilment centres, sortation centres, cross-dock facilities and processing centres for returned items. There will also be growing demand for collection points, including lockers, to service click-and-collect.
- While traditional bricks and mortar retail will remain a more significant driver of aggregate logistics real estate demand than online in the medium-term, online will be a more dynamic driver of change.
- In mature retail markets, the growth in logistics real estate demand driven by e-fulfilment could be offset by some weakening in demand related to supplying physical store portfolios.
- In less developed retail markets, logistics real estate demand will be driven by both an expanding retail property stock and growing online sales.
- Multi-channel retail will increasingly evolve into omni-channel retail to provide a fully integrated seamless customer shopping experience. With omni-channel, the role of shops and warehouses will become blurred.
- Retailers, parcel operators and logistics companies along with developers and investors need to stay ahead of the curve and be responsive to this change in order to optimise their respective strategies and get best value from their logistics real estate from an operational or financial return perspective.
- Retailers need to embrace multi-channel and work towards delivering a fully integrated omni-channel shopping experience for consumers.
- Developers need to focus on acquiring appropriate sites and building up strong relationships with key retailers, logistics companies and parcel operators.
- Investors need to understand how online and multi-channel supply chains work in order to understand the function of the warehouses that support these and what this means for specification, location and investment performance prospects.

Download the full report [here](#).