

SodaStream: Resilient fulfillment during COVID-19



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You'll be hard-pushed to find a retailer who hasn't been impacted in some way by the COVID-19 pandemic. Whether it's opening direct to consumer selling channels for the first time or embracing new shopping methods like BOPIS, being adaptable has been the name of the game during this unprecedented time for the retail sector.

But the pandemic hasn't just affected how brands are selling, but the fulfillment strategies they're using to exceed consumer expectations. With global e-commerce sales in 2020 up nearly a fifth on 2019, retailers have been under immense pressure to handle peak season order volumes throughout the year - even as parcel carrier networks remain massively overstretched.

In this climate, seeking out scalable fulfillment solutions is the key to weathering supply chain disruption and gaining a competitive edge as the sector heads toward recovery. Read on to find out how Ryder helped its longtime client SodaStream to build a responsive fulfillment strategy during COVID-19.

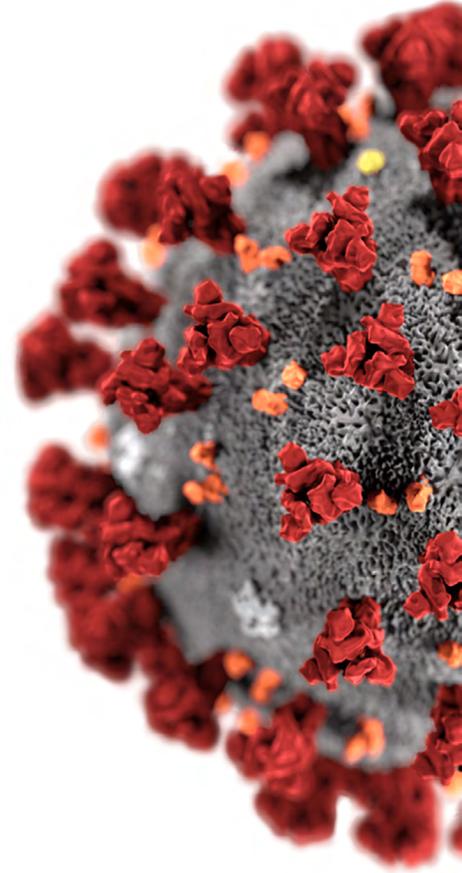


How COVID-19 has upended supply chains

The COVID-19 pandemic has been a major lesson on how fragile globally or even nationally distributed supply chains can be in the face of a major event, whether that be a pandemic or the effects of climate change. A survey of CEOs and senior retail managers by Statista found that 56% reported experiencing 'moderate disruption' due to COVID-19, while 12% reported 'heavy disruption' to their operations.

The global reliance on just in time (JIT) logistics models, where components or inventory only arrives when needed to reduce warehousing and storage costs, has quickly revealed its shortcomings as supply shock was followed by demand shock in the second quarter of 2020.

Combined with a lack of supply chain visibility and struggling carrier networks, many retailers didn't have the necessary responsiveness to manage this upheaval effectively. But merchants are already addressing vulnerabilities in their operations, from increasing inventory visibility to investing in more flexible, scalable fulfillment solutions that can pivot quickly to meet changing marketplace conditions.



12%

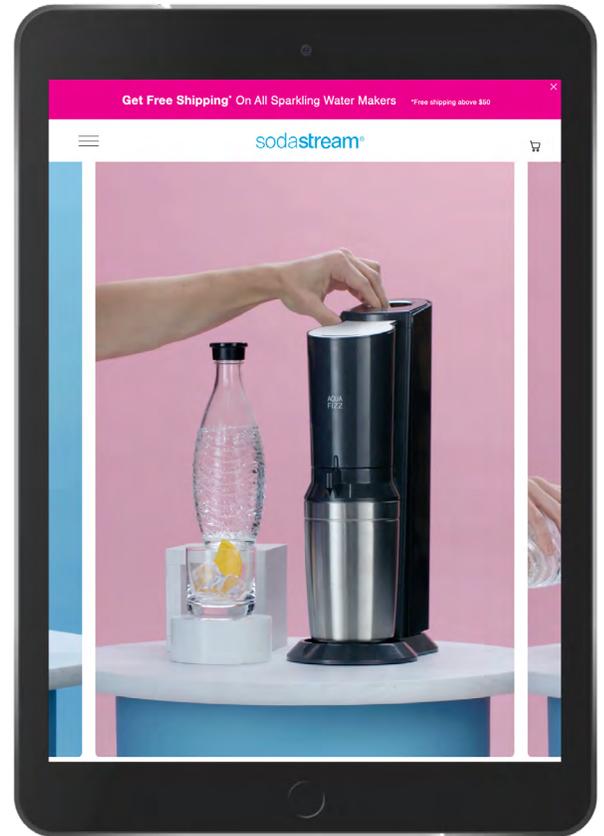
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SodaStream: The world's leading sparkling water brand

Since its founding in the United Kingdom back in 1903, SodaStream has become one of the most cutting-edge brands in the soft drink space. They've rapidly gained market share for offering a healthier and more cost-effective alternative to canned or bottled carbonated beverages. Their innovative home carbonation machines place a circular return and reuse model at the heart of the SodaStream experience, with their reusable carbonating bottles saving a family up to 3000 disposable bottles each year alone.

In 2018, SodaStream was acquired by PepsiCo for \$3.2 billion, reflecting a longer-term shift in consumer preferences for more sustainable and personalized soft drink options. Today, SodaStream products are sold in over 80,000 retail stores across 45 countries, including major retailers such as Target, Walmart, and Bed Bath & Beyond. Ryder has been SodaStream's U.S. fulfillment partner since 2010, marking one of their longest and most successful fulfillment partnerships to date.



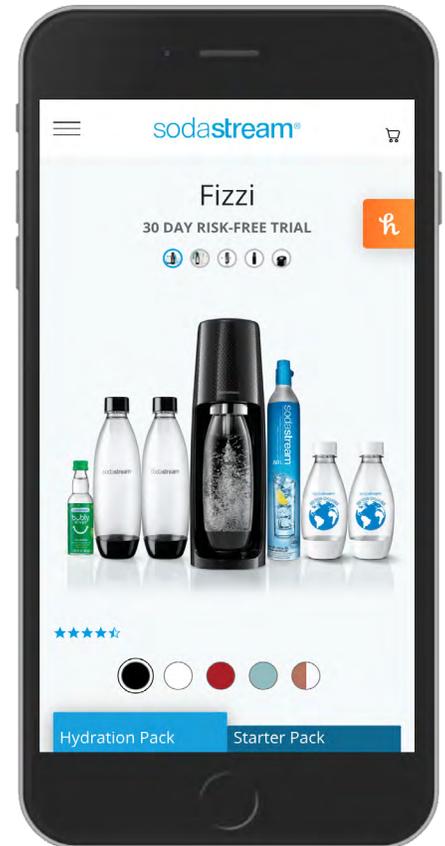
A rapid shift from brick and mortar to online selling

As a company with an extensive nationwide retail distribution strategy, SodaStream was not immune to the marketplace disturbances caused by the early stages of COVID-19. Like many retailers, the virtual shutdown of the brick-and-mortar sector led to a corresponding increase in online sales, which required a change in fulfillment strategy:

“When the pandemic took hold back in March-April 2020, we were faced with our online order volumes surging beyond what we would normally handle even during peak season.” Says Robert Hedwall, Manager of Supply Chain and Logistics at SodaStream. “Ryder was able to scale up fulfillment activities at our West Coast location ten-fold within just two weeks, and then scale down just as efficiently when normal patterns resumed in May. Their capacity to meet our newfound needs so quickly has made them an invaluable partner during such a challenging time.”

Ryder’s ability to support SodaStream’s sudden increase in online sales was made possible by a powerful combination of advanced technology and logistics expertise, bred from decades of hands-on industry experience. Their nationwide network of facilities allowed SodaStream to build durability into their fulfillment operation - before any disruption took place:

“This unique set-up gave Ryder the ability to pivot extremely quickly to support the higher online order volumes bought about by the pandemic and consumers’ switch to e-commerce,” says Brian Weinstein, Senior Vice President of Business Development at Ryder. “It’s a powerful testament to the flexibility and resilience that retailers can gain by partnering with a provider who can offer a nationwide fulfillment strategy.”



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Robert Hedwall
 Manager of Supply Chain
 and Logistics
 SodaStream



Seamless returns management

When online sales increase, returns inevitably rise in tandem. According to Magneto Solutions, e-commerce returns cost merchants **an estimated \$550 billion** during 2020, with 82% of consumers preferring free online returns due to concerns about social distancing.

For SodaStream, processing returns effectively became a notable pain point during the pandemic. With key retailers closed due to in-store restrictions or operating on reduced hours, this added a huge amount of friction to the returns experience for customers.

“It was essential that we made returns management as seamless as possible during the pandemic,” says Hedwall. “Ryder’s IT team was able to custom-build an integration for us that allowed USPS to pick up returned items from customers directly. This meant that we could process returns much faster and give customers a much more premium brand experience.”

It’s these kinds of capabilities that make all the difference in a dynamic retail sector. With consumer expectations constantly evolving, brands need to partner with fulfillment providers who they can trust to provide them with the tools they need to navigate a dynamic retail sector:

“As the retail sector heads toward recovery in the latter half of 2021, it will be even more important for brands to choose fulfillment partners who can adapt to this dynamic environment,” said Brian Weinstein, Senior Vice President of Business Development at Ryder. “It’s still too early to know what will happen to consumer shopping habits when restrictions end. While the strong growth of e-commerce is likely to continue, the depth of the shift back to brick-and-mortar sales is a larger unknown. That’s why it’s so important to partner with a 3PL that can pivot quickly to meet changing trends in the evolving omnichannel marketplace.”



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Manager of Supply Chain
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About Ryder System, Inc.

Ryder System, Inc. (NYSE: R) is a leading logistics and transportation company. It provides supply chain, dedicated transportation, and fleet management solutions, including warehousing and distribution, e-commerce fulfillment, last-mile delivery, managed transportation, professional drivers, freight brokerage, leasing, maintenance, commercial truck rental, and used vehicle sales to some of the world's most-recognized brands. Ryder provides services throughout the United States, Mexico, and Canada. Ryder is regularly recognized for its industry-leading practices in third-party logistics, technology-driven innovations, commercial vehicle maintenance, environmental stewardship, corporate social responsibility, world-class safety, and security programs.

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