

Traditional KPIs can negatively impact customer experience, sales, and margin

More than two-thirds of Fortune 1000 retailers leverage experience scoring programs such as the Net Promoter Score (NPS). These programs capture consumer feedback, which closes the gap between opportunity and execution; however, even the country’s largest retailers have discovered why results are often skewed:

- Response rates below 15% over-sample clients of lesser focus compared with ideal consumers
- Traditional non-segmented scoring does not capture differences in execution such as seen in Figure 1

As a result, most scores comparing logistics providers are not apples to apples, and the samples are not reflective of the retailer’s ideal clients. This prevents multiple departments from receiving an accurate view of consumer expectations and actual experiences.

FIGURE 1

TRADITIONAL SCORING VISIBILITY GAPS	
Parcel mode	Freight mode
Short transit	Long transit
Transactional buyer	Emotional buyer
Drop shipper	Fulfillment center
Consolidated data	Pinpoint data
Attractive data	Accurate data
Guiding the data	Data guiding you
Shipper-driven	Consumer-driven
Segmented workflow	Central workflow
Predictive planning	Proven planning

BREAKING DOWN THE CARRIER MYSTIQUE

Compared with scoring systems, which measure only brand or single carrier-level, a data-rich approach to multi-carrier scoring enables drastic improvements in operational costs, packaging costs, carrier costs, return rates and more.

Increased sales and margin growth are accelerated by reversing negative feedback scores into a strong 10/10. In Figure 2, we’ll review why the ‘number’ of the NPS score is less critical than uncovering actionable insight that grows consumer experience and sales.

FIGURE 2

CX SCORING	STANDARD	DEVELOPED	DATA-RICH
Response rates	1-3%	3-5%	15-18%
Fewer complaints	1-3%	3-5%	5-25%
Increased profit	1-3%	3-5%	5-35%

01.

PARCEL VS FREIGHT MODES

- a. Most shippers begin their customer experience scoring with small parcel modes
- b. Parcel networks are automated and low touch, while freight networks consolidate and deconsolidate, plus manage delivery appointments, inside delivery, and debris removal
- c. Parcel scores are not comparable as they trend 2x higher than freight by default

02.

SHORTER VS LONGER TRANSIT TIMES

- a. Delivery expectations directly impact the perception of your brand and product
- b. 1 to 2-day transit carries less handling, fewer touchpoints, and lower risk than 5 to 6 days
- c. Scores may not be comparable between different commodities or carriers

In Figure 3: If one carrier delivers in a more local market, on a shorter transit time, or even larger product types than another carrier, those scores cannot be comparable.

03.

TRANSACTIONAL VS EMOTIONAL BUYER

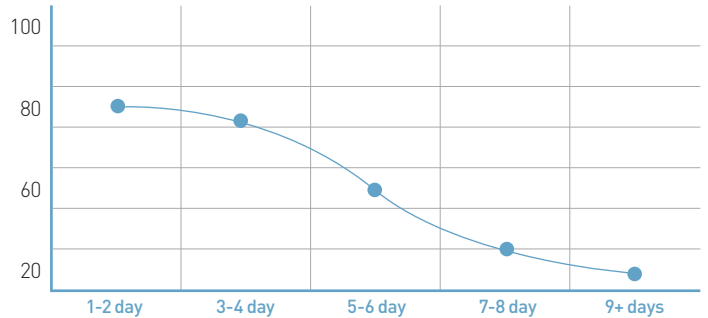
- a. Smaller, transactional-type purchases don't often carry an emotional attachment.
- b. On the other hand, an 80-inch television ordered ahead of the "big game" or the new swing set for a child's birthday party are purchases that carry stronger emotions
- c. With higher expectations around emotionally-vested product types, customer experience scores will not compare

05.

CONSOLIDATED VS PINPOINTED DATA

- a. Traditional scores consolidate all of a customer's journey, from a website visit to rate shopping to order placement to carrier assignment and more
- b. More granular, strategic scoring can focus on a specific carrier; multiple delivery services; a specific lane or region; a particular product category or SKU, and is designed to uncover hidden insights
- c. Scoring insights helped the world's largest home furniture manufacturer and a Fortune 50 retailer learn that damages can be eliminated in a specific product category and destination by:
 - Not allowing large items to be shipped vertically
 - Updating the packaging, which consumers had also disliked
 - Driving these communications across the shipper, manufacturer, carrier management, account management, as well as pickup and delivery operations, all through a simplified control tower not available with traditional carriers or a typical NPS program

FIGURE 3
CX SCORE BY TRANSIT TIME, REGARDLESS OF CARRIER



04.

DROP SHIPPER VS FULFILLMENT CENTER

- a. A fulfillment center will standardize the shipping process
- b. Drop shippers' procedures will vary significantly
- c. Without proactive drop ship management, these scores trend lower by 20 to 60%

06.

ATTRACTIVE VS ACCURATE DATA

- a. Single carrier scores often reflect 60 to 70 points inaccurately due to overly simplified or non-specific survey techniques
- b. Attractive scores can give false confidence to shippers and carriers and miss valuable opportunities to drive continuous improvement
- c. Without visibility into SKU level detail, transit times, carrier lane, or shipping location was surveyed, NPS data fails to provide clear insights and may be unusable in improving performance:
 - For example, an asset-based and a non-asset based carrier may each deliver a similarly sized, large item into the same zip code
 - One item may have been delivered curbside, while the another delivered to-the-door, through the threshold, or with white glove service
 - Since the scores are not comparable, the data is unusable to drive competition between carriers for continuous improvement

07.

GUIDING THE DATA VS DATA GUIDING YOU

- a. Working with 1 to 5% response rates limits insight into customer sentiment, especially when SKUs, lanes, carriers, and delivery types cannot be separated within the data
- b. A low response rate may lead to teams making anecdotal assumptions first, then looking to confirm with minimal available data
- c. With higher response rates and data leads, clearer insights are created that can shape changes in the customer experience:
 - For example, consider a company's Google Reviews where one location may show only 200 scores, even while 20,000 shipments delivered
 - Those reviews are only the outliers and exceptions and cannot enable a predictive analysis to model 19,800 core client expectations

I needed to change my delivery date, and they were very helpful. The delivery driver was courteous as well.

— J.H. Durhamville, NY

I was notified via email about the delivery and when I should expect it. I received a call on when it would be delivered, and I also received a call when they were 10 minutes or so out. They unloaded it and placed it in the back yard because there was work done on the front porch and the garage, so they accommodated me because of that. They are truly professional.

— E.C. Madison, AL

We received our product when we were told we would through notifications. The product was not damaged, and our delivery person was so friendly!! Thank you!

— N.S. McVile, ND

08.

SHIPPER VS CONSUMER-DRIVEN INSIGHTS

- a. With limited responses for a specific carrier, location, or product type, the burden is placed on the shipper to create insights based on assumptions rather than facts
- b. The goal becomes analyzing data to either prove or disprove the assumptions, which can be more reactive than proactive
- c. Collecting 3 to 5 times more data enables a holistic view, where process gaps can be confirmed or invalidated against operations and sales data promptly without guesswork

09.

SEGMENTED VS CENTRAL WORKFLOW

- a. Insight, survey, and communications teams often report into separate departments
- b. For example, if the Survey team makes a change, the Insight team may now believe they've discovered new client data without realizing what caused it
- c. These and many other scenarios create false assumptions and misguided interpretations when compared with centralized feedback tech, which breaks down silo walls

10.

PREDICTIVE VS PROVEN PLANNING

- a. Everything from the time of day to the number of clicks impacts survey response results
- b. With 1 to 5% response rates, teams are restricted to predicting revenue growth, while with 15 to 18% response rates, profit growth can be forecasted with more reliable data

THE DIFFERENCE IN NPS SCORES AND PROFIT

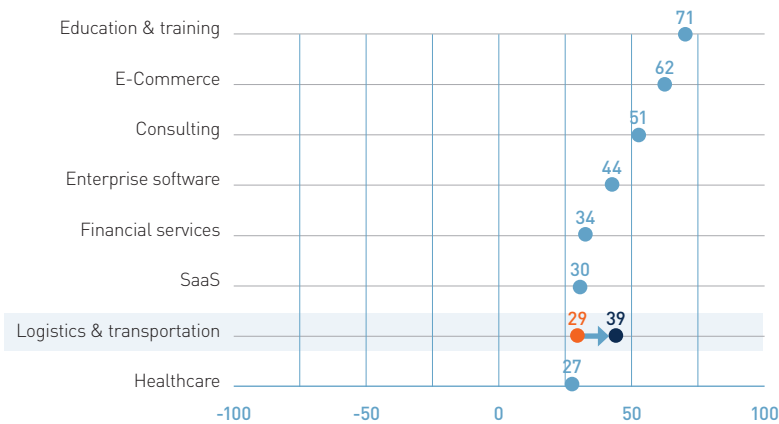
By taking a data-rich and customer-first approach, VPs and Directors across the Fortune 1000 and mid-market companies increased margins on 35% of SKUs. Customer Service, Logistics, and Sales Managers now save 2 hours per day to focus on proactive growth rather than reacting to disruptions.

Customer perception is everything in this business. If a carrier does not treat your client the way you expect, that perception will ultimately fall onto your brand. A tech-enabled control tower can convert that risk into opportunity.

By looking at the survey journey the same way we consider a logistics or a website journey, we create fewer clicks. This is how our clients quickly achieve the 17 to 18% response rates they deserve.



FIGURE 4: AVERAGE CUSTOMER EXPERIENCE SCORE



How would 15 to 30% higher customer experience ratings impact your employee departments, bottom line, and stakeholder relationships?

IF 5 MINUTES WITH AN EXPERT CAN HELP, SENIOR TEAMS ARE AVAILABLE TO SUPPORT YOUR EXECUTIVE STRATEGY. IN A BRIEF CALL, WE'LL REVIEW INSIGHT ON YOUR CUSTOMERS, COMPETITORS, AND P&L. REACH US AT SALES@EFWNOW.COM