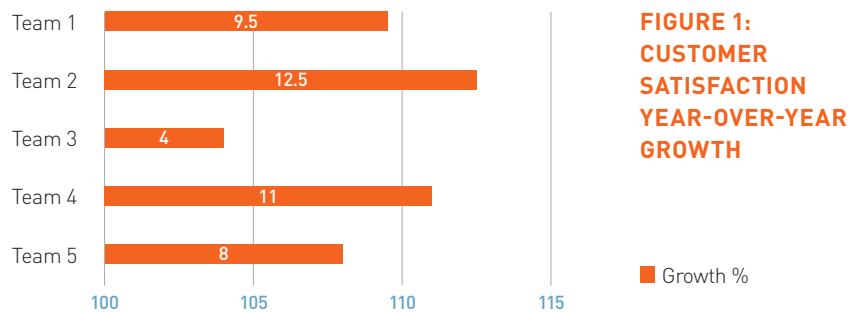# How retail operations leaders grow customer experience and sales – with lower cost

Operations managers and leadership for national brands continually look for ways to reduce cost and improve customer experience. Efficiencies that reduce their teams' workload are crucial. Increasing their bandwidth allows them to proactively drive process improvement versus reacting to logistics disruptions.

U.S. deliveries have experienced tightened capacity and heightened consumer sensitivity, creating new hurdles for shippers. Despite challenges, some have grown consumer satisfaction by 9%. A deeper look will help reveal what these numbers reflect and how they are measured.

FIGURE 1: CUSTOMER SATISFACTION YEAR-OVER-YEAR GROWTH

Team	Growth %
Team 1	9.5
Team 2	12.5
Team 3	4
Team 4	11
Team 5	8

■ Growth %

KEYS TO MEASURING CUSTOMER SATISFACTION AGAINST SUPPLY CHAIN PERFORMANCE

What impacts your customers' perceptions can vary immensely. Something as simple as the time of day, or cloudy weather, can cause lower satisfaction reports. Top performers have uncovered 5 key customer experience indicators to help forecast year-over-year growth:

1. Network execution – origin operations and middle mile

2. On-time performance

3. Delivery/final mile execution

4. Consumer expectations

5. Consumer communication

A scoring system provided by your strategic logistics partner should provide you with direct feedback from your customers' minds. This prevents day-to-day disruptions, significantly lowers costs and risks, and supports increased sales and margins. Read more about how that process is shaped on the next page.

SHIPPERS RECEIVE LIMITED VISIBILITY INTO THEIR LOGISTICS PARTNERS' NETWORKS

Accountability matters. Your forwarder or 3PL should provide self-scorecarding, weekly check-ins, and leadership QBRs along with carrier and network scorecarding. Customer-scorecarding after delivery, however, is the competitive advantage that will drive growth. Next, you will see where the surveys create insight:

01.
CUSTOMER INTERACTION

- The Forwarder or 3PL should survey your customers and reach out to each individual who may be a detractor or even passive responder
- That partner should address concerns to directly convert and reverse negative feedback into positive
- To your customer, that logistics company is a direct extension of your team and can build or detract from loyalty to your brand

02.
NETWORK MANAGEMENT

- The Forwarder or 3PL should analyze survey feedback to identify localized trends
- Network adjustments should be made for specific product types, service lanes, or regional needs to reduce both damages and calls by 1 to 3%

03.
CORPORATE OPERATIONS

- The Forwarder or 3PL should provide a Control Tower Liaison and corporate executive sponsor to streamline feedback on customer comments
- The Forwarder or 3PL should ensure the captured feedback is shared to provide coaching and training for service and operations teams wherever possible

IN ADDITION TO NEW GROWTH, THE STRATEGY HAS SAVED CLIENTS $225K TO $3MM IN UNNECESSARY COSTS

While the industry average for 3PL and logistics partnerships is only 2 to 3 years before resetting by RFP, over half of shippers leveraging this strategy have retained their Forwarder for 3 to 8+ years. Simplified operations and additional profitability are enabled through:

01.
TRANSPARENT PARTNERSHIP

- Enormous trust to achieve mutual success
- Understand clients' expectations and growth goals
- Continuous efforts on continuous improvements

02.
PERSISTENT COMMUNICATION

- Overall service expectations
- Proactive delay or stress notifications
- Solid customer service support and closed-loop
- Regular discussions with Account Management, Customer Service, and support teams
- Supply chain improvements or changes

03.
EXPANDING TECHNOLOGY

- Heightened visibility of consumer orders
- Consumer touch-point tools – AI – visibility to delivery dates, appointments, etc.
- Monitoring quality of network stability
- Continually uncovering hidden areas of friction

IF WE CAN UNDERSTAND YOUR TEAM'S GOALS, WE WOULD LOVE TO SHARE CASE STUDIES ON BEST PRACTICES THAT HELP LOWER COST, RISK, AND CLAIMS WHILE INCREASING SALES PROFITABILITY.