Growing customer experience, employee experience, and sales by reducing retail damages

Damages in e-commerce aren't just time-consuming; they lead to costs for the Customer Service Manager. In this environment, these disruptions also translate into:

1 | Multiple calls concerning escalations, damages, reimbursement, and item replacement

2 | A retailer preference for gift cards, rather than incurring new shipping costs

3 | Returns as a first expense, plus new outbound shipping charges as a second

4 | Cancellation of the purchase or the sharing of negative feedback online, shrinking sales revenue

On top of the costs associated with time spent in corrective actions by customer service, logistics, quality control, and merchandisers, these delays and damages also significantly impact a brand's reputation. The top three concerns for retail owners, leadership, and supply teams have traditionally been 1) speed, 2) on-time performance, and 3) damage-free delivery.

A TRADITIONAL APPROACH DOES NOT IMPROVE CUSTOMER EXPERIENCE, COSTS, OR SALES

With the traditional RFP process, shippers are prevented from prioritizing what a vendor does well to drive their growth. They focus only on current volumes and previously known needs instead of benchmarking true best practices against similar companies to discover the unknowns.

By looking at the supply chain from a customer experience and time perspective, we can consider our full "costs" instead of only the shipping "price."

Competitors who control more volume through a single partner tend to have 1 to 3% less damage

Competitors and carriers that blanket wrap and/or manual load see even less damage; however, with much longer transit times

Improving customer confidence helps expand margin and topline, creating from $200K to $3MM in new profit for national brands and distributors

DO YOUR LOGISTICS PROVIDERS HELP YOU BENCHMARK AGAINST COMPETITORS?

TO CAPTURE THE OPPORTUNITY, 6 STRATEGIES ARE VITAL TO LOGISTICS SUCCESS

From basic to indispensable, below are key areas to protect your customers, time, and profit:

1 | PALLETIZING LARGE ITEMS LIKE FURNITURE PROTECTS EVERYONE'S TIME.

- Your freight will move through DC networks more reliably and deliver properly.
- In addition to fewer WISMO calls, you may often see 5% fewer claims or damages.
- If the retailer or shipper is not willing, discuss options with your logistics provider to help manage the allocation of these costs.

2 | RETURNS, VISIBILITY, AND FINANCIAL FORECASTING ARE DEEPLY CONNECTED.

- Inaccurate tracking leads to customer frustration, with additional costs and overhead.
- Tracking discrepancies can contribute to unnecessary replacements being issued; then, the original order must be stopped and returned.
- Between the first return and now a second disruption, sales performance and revenue predictability fall out of focus.

3 | BE MINDFUL OF THE SIZE OF THE CUSTOMER AND THE INTERACTIONS.

- Smaller customers may tend to have greater communication needs. This can stem from vendors lacking tracking or communication protocols.
- Retailers and vendors rely on carriers to find issues, but large forwarders cannot monitor this. For example, a top retailer incorrectly registered hundreds of parcel shipments with their Forwarder/LTL provider. The carrier did not notify the retailer of the error, which resulted in a $10,000 shipping expense increase.

4 | KEEP TABS ON DWELL TIMES, AS THEY ARE CRUCIAL TO BOTH SHIPPER AND CUSTOMER EXPERIENCE.

- Ask how long a piece is at origin before moving or destination before customer contact.
- Demand proactive updates on weather or market delays to reduce calls, canceled orders, and costs.
- Break down and report transit time segments and dwell times. This enables VPs and leaders to understand and surgically improve performance drivers for your clients, with an average reduction of 1 full day of transit, visible through weekly scorecards.

5 | ACCURATE, REAL-TIME TRACKING BECOMES A FORECAST OF YOUR CUSTOMER EXPERIENCE AND PROFIT GROWTH.

- Forecasting inbound volumes into regions enables you to communicate needs to carriers early, ensuring they can handle volumes and delivery in a timely manner.
- Technology should track performance by region, with continuous improvement in dashboards and reporting to each metro market. This must enable you to catch issues before shipments become late, as proactive notification reduces your call volume and overhead.

6 | YOUR CUSTOMER SERVICE LIAISON IS YOUR QUARTERBACK OR YOUR COACH ON THE FIELD.

- Since your supply chain is complex, your communication shouldn't be. A single point of contact to manage escalations, metrics, performance, and personalized experience should be considered the bare minimum to entry. This enables a weekly check-in with someone who knows the intimate details of your customers' needs to speak on future improvement instead of only current standing.

WHILE TRADITIONAL RFPS CREATE 7% SAVINGS, ONLY STRATEGIC PARTNERSHIPS SAVE 15%

LOGISTICS PARTNERSHIP

TRANSACTIONAL	TACTICAL	STRATEGIC
– Spot quote only	– Rep-to-team contact	– Team-to-team contact
– RFP only	– Tariff agreements	– Capacity planning
– Focus on price	– Focus on time	– Focus on customer experience
	– Scorecard KPIs	– Scorecard KPIs
	– QBR review	– QBR review and trending
		– Carrier scoring with adults
		– Customer experience scoring

Strategically approaching "cost" over "price" can nearly double your savings, according to Gartner, a global leader in supply chain consulting. A 1% boost in topline revenue will often eclipse a 1% savings in transportation.

If you have goals to grow customer experience and profitability, we're happy to share best practices.