



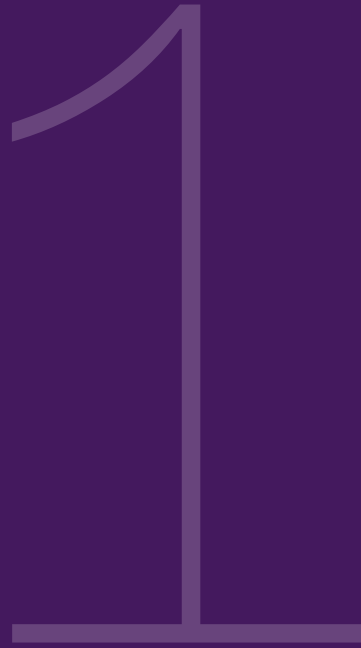
Delivering the right message

8 ways to improve communication in logistics



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Challenges

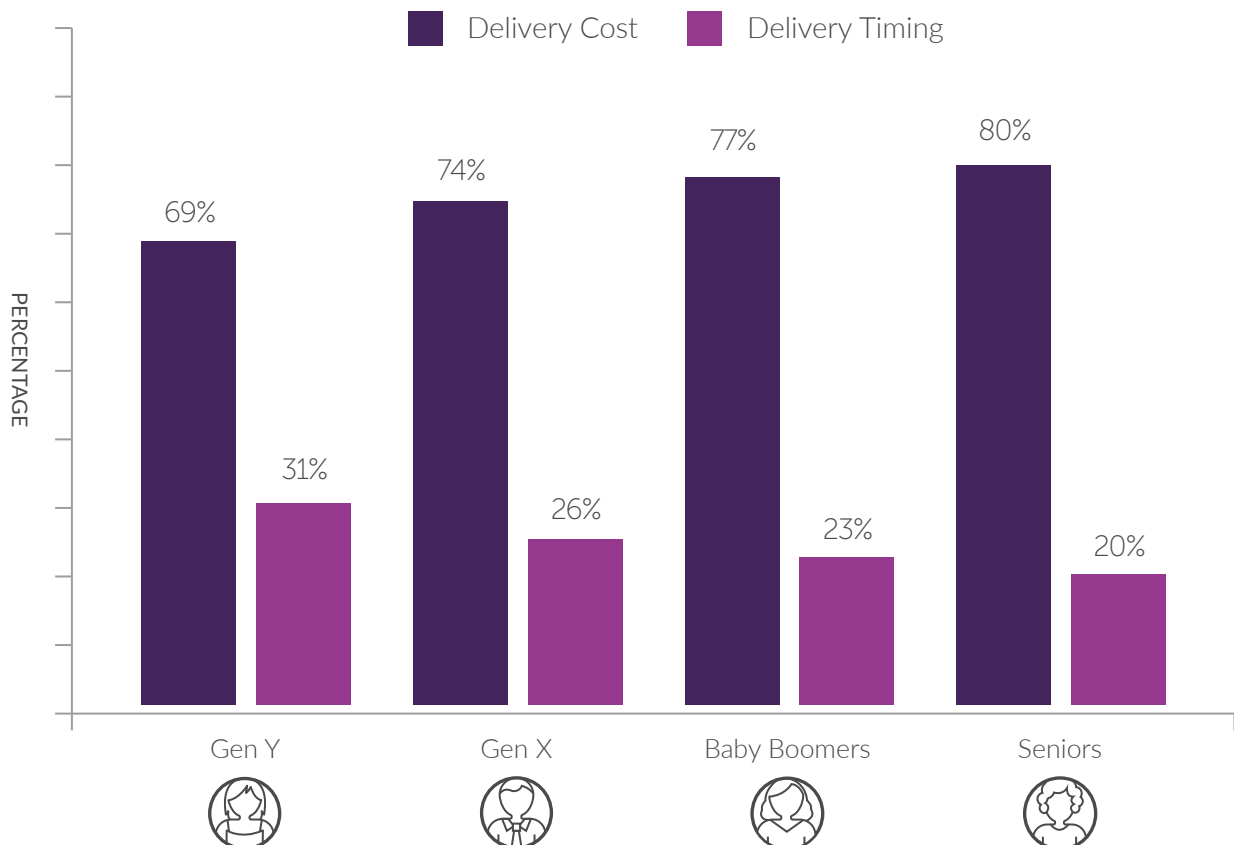
Customers aren't satisfied by service

A survey conducted by comScore and UPS found that consumers are now buying more things online than in store. This ability to shop from a smartphone, at the office and at home has driven a growing need for speed: instant prices and available stock, fast (and affordable) delivery and real-time updates on the progress of their order.

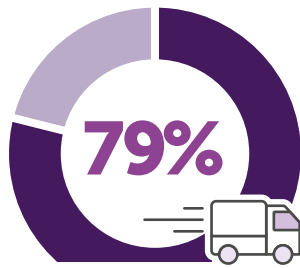
These uncompromising expectations are not consistently met by delivery companies. The issues start at the checkout, with 50% of respondents to an eConsultancy study reporting having abandoned an online purchase due to unsatisfactory delivery options².

Given the choice of next day delivery or a fixed day, 31% would opt for a fixed day, and 24% for next day, but only 24% of retailers worked with couriers that could support this.

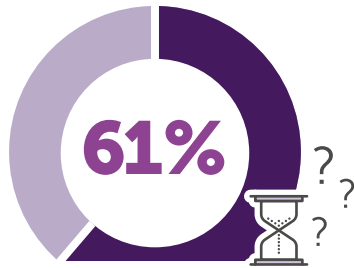
Which is the most important when ordering online:



Respondents to a 2013 study reported that:



had experienced **late deliveries**



had a parcel **not arrive at all**

In fact the average person **wasted**



waiting in for deliveries over the course of a year.

This is, in part, because customers aren't always prepared to pay for the premium delivery services; a US based survey found that, of consumers seeking guaranteed weekend or after-hours shipping, only 42% would pay more to have these options.

While cost continues to be a greater priority than delivery timing, the younger the demographic, the more likely they are to place greater value on a fixed delivery time. Worse than not having premium delivery services available, though, is having them and not meeting expectations.

2013 research by CollectPlus found that respondents had waited in for deliveries that had turned up late (79%), or not at all (61%). In fact, the average person wasted 31 hours and 48 minutes waiting in for deliveries over the course of a year.

Today's digitally empowered consumers will not hesitate to broadcast their disappointment at what they perceive to be a poor delivery experience. So much so that 40% of shoppers in MyCustomer's survey confirmed they'd taken to social media to voice their woes.

What's more, 56% went on to say that negative online comments influence their decision on whether to shop with a retailer. Another survey by eConsultancy found that 59% of respondents said they would not shop with a retailer again if they failed to deliver on time, and so there's increasing pressure on retailers to be selective in their choice of delivery partner.

In one high profile example of this, founder of MoneySavingExpert.com, Martin Lewis, has gone on record to encourage end customers to buy from retailers who use the better rated parcel firms².

Lack of communication

A typical online checkout experience informs consumers of an expected delivery date and, depending on the service, this can be anything from a designated day or a date range. This is quite often the first and last thing you find out about your delivery before the day it turns up.

There is little opportunity for the consumer to get in touch with the delivery service or drivers to update them with a change of delivery address, or request a schedule change, or inform them of a safe place to leave the parcel should no-one be in to collect it.

The frustration for the end customer is that they hold very little power in this situation, as the business contract is between the courier company and the retailer. Consumers can't choose their delivery provider based on the service level they require, and direct communication with the delivery team is usually discouraged.

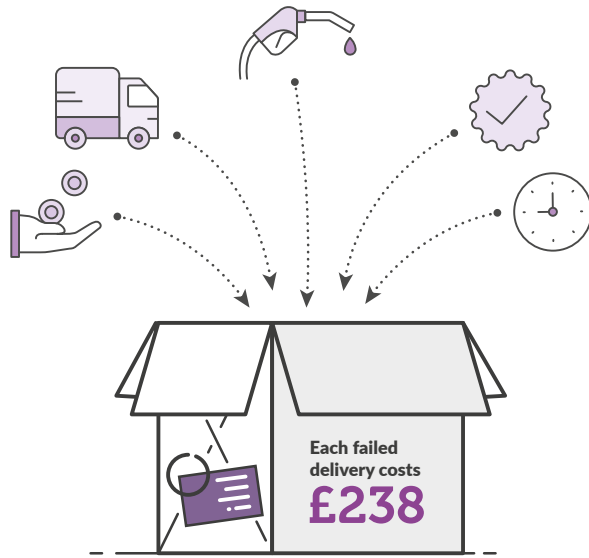


“ Giving the customer the ability to fully engage in the delivery process allows them to make more informed decisions about the service they want and then to help manage the ‘final mile’ – cooperating with the delivery company to be in the right place at the right time. The result is reduced costs to all stakeholders and a greater customer satisfaction. ”

.....
Andrew Starkey – Head of logistics at IMRG

The cost of a failed delivery

In the UK 12% of deliveries fail first time, costing the industry an estimated £1 billion in re-deliveries³. Seasonal demands such as Black Friday, summer sales and the Christmas period can see the numbers of failed and damaged deliveries increase. For example, in December 2015, at least 225,000 parcels failed to arrive when promised each day⁴.



Another source suggests that each failed delivery costs £238⁵ when taking into account driver salary, use of vehicle, fuel, loss of brand goodwill and where the time could have been potentially better spent.

As reported earlier, 72% of logistics and courier companies surveyed in 2013 had not evaluated their existing processes in the previous two years⁶, citing a 'lack of a business need' (40%) and cost (33%) as the main reasons for not deploying new technologies.

The average 15% year on year growth in online sales⁷ appears to have turned the 'lack of need' requirement on its head, as EFT reported in 2016 that 46.1% of logistics companies plan to innovate and use modern technologies in order to gain more business in the next 18 months⁸.

Collection of import duty

When goods are imported into the UK from outside the EU, the end customer is responsible for paying Customs Duty and VAT. Some couriers allow the retailer to pay the bill on behalf of the end customer, adding an admin fee to cover their costs. It's more common for the end customer to receive a bill in addition to their order, which will also include the courier's admin fee.

As end customers are quite frequently unaware that overseas internet shopping incurs custom duty and tax, these bills are an unwelcome surprise, and can be ignored. It's difficult for the courier to chase payment in a cost-effective manner, as the value of the invoice is usually small, resulting in an extra burden of cost to the courier.

However, more aggressive tactics for chasing payment from end customers can backfire, with Fedex being raked over the coals for "bullying" customers in 2016⁹.

Brexit could compound this issue if a suitable customs deal isn't met, so it's important to explore small balance debt solutions ahead of any agreement.

Driver communication

Historically, arranging a delivery was hugely labour-intensive. Teams of telephonists, controllers, administrators and line managers worked with drivers to get packages to their destinations on time. The controller's job was, and remains, very demanding, keeping an eye on pending jobs, jobs in progress and new jobs coming in, all day, every day.

Communication is vital for the controller, who needs to know where drivers are, how many deliveries they are taking on, and who is taking on what delivery. If there are changes to a delivery or new errands that need assigning, a controller needs to find a way of contacting drivers that doesn't waste time for both themselves and the drivers.

If they are chasing drivers for more information regarding a delivery, perhaps on behalf of a customer, this too can be a costly and time consuming activity.

Lengthy onboarding process

A common challenge that the logistics sector faces is finding new drivers. The economic growth both nationally and internationally has increased the demand to move more goods which results in needing more drivers.

Recruiting drivers requires a substantial amount of paperwork, and, with a number of qualifications needed and background checks, reviewing submissions is also a laborious exercise.

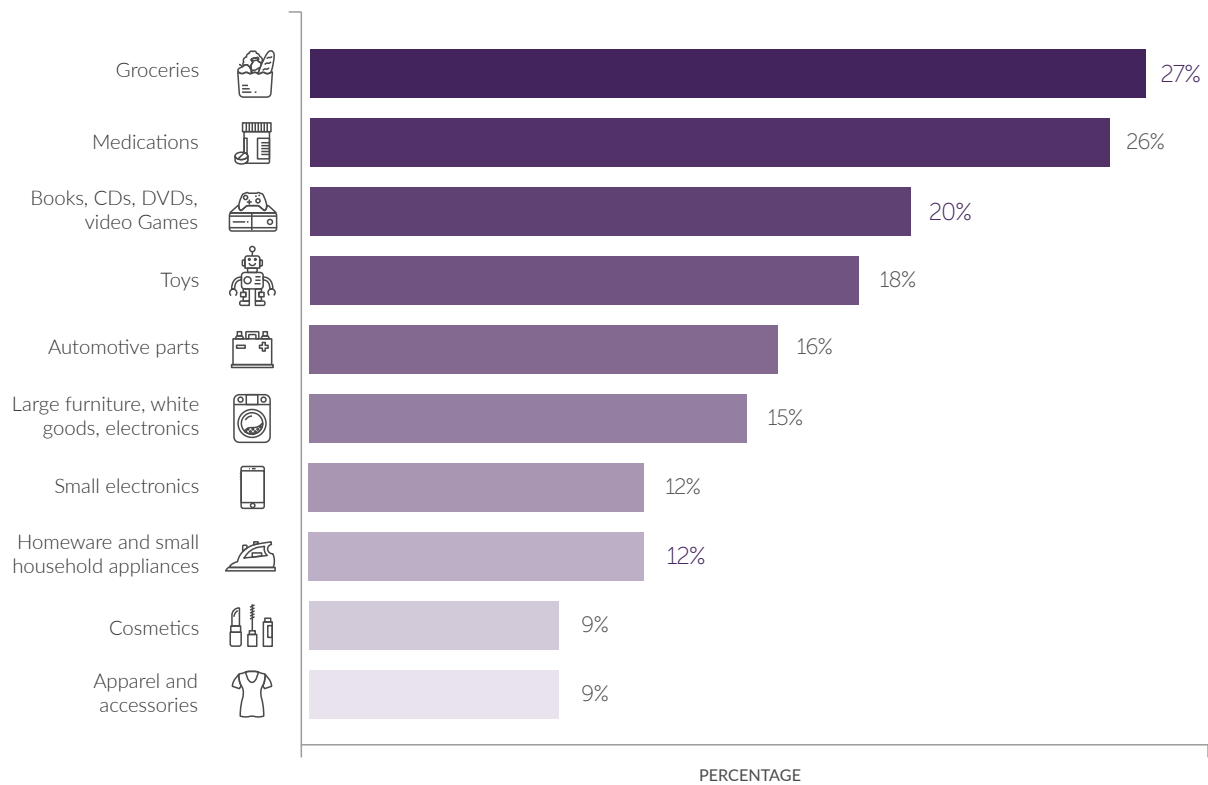
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Solutions

Give the customer more control

As reported earlier, there's a gap between what delivery options retailers are offering at checkout, and what end customers want. However, the drive for next day or fixed day deliveries needs to be viewed in the context of the destination, the age of the average customer, and what is being shipped.

Share of respondents who did not purchase an item online due to long delivery times¹⁰



Clearly, what is being shipped has an important impact on whether the customer will be satisfied with limited choices for delivery, and in turn, whether the retailer chooses to work with a low-cost delivery partner, or a premium service provider.

60% of UK respondents in a 2013 survey were familiar with or had used same-day delivery, compared to half that number in Germany¹¹. While this gap will most likely have closed, the importance of the retailer understanding their customer base before selecting a delivery partner – and, in turn, the delivery partner understanding where to best market their services – shouldn't be understated.

Delivery companies looking for ways to offer these services to retailers in a cost-effective manner need to start exploring their options: drones, cycle couriers in urbanised areas, and crowd-sourced labour.

Keeping ahead of competitors by research and investment in new technologies means reducing costs and improving customer satisfaction in traditional delivery services, and we'll turn our attention to these areas now.

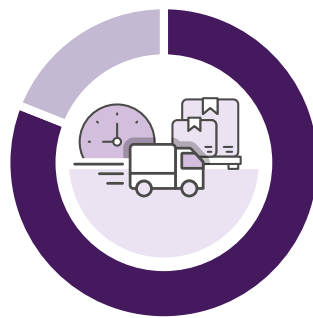
Proactive communications

A MyCustomer survey¹² found that 82% of UK consumers said it was important that retailers proactively communicate at every fulfilment and delivery stage. The same survey found that 81% of customers will track their order status two times or more during the fulfilment process. Similarly, a US based survey¹³ that found 97% of respondents want the ability to track products through the delivery process.



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82%

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97%

of respondents want the ability to track products through the delivery process.

With this proportion of consumers seeking constant reassurance that goods are on their way and are going to arrive when expected, providing updates via email and SMS should be standard.

But by opening up a two way channel, customers will be have more power to influence delivery actions, and couriers can further reduce the cost of failed deliveries.

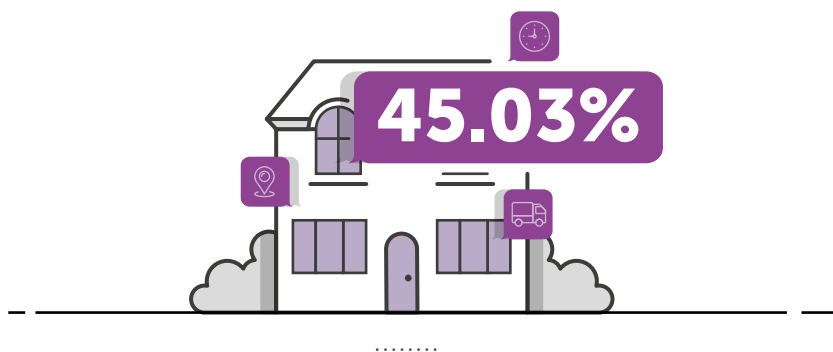
1. SMS for opening a dialogue

SMS has overtaken email as the preferred means of receiving delivery information, increasing to 45.03% of households from 38.3% in just one year¹⁴. It's already reasonably common practice for couriers to send out an SMS stating that the recipient's parcel is out for delivery and will be attempted today. But quite often it's a one way dialogue which doesn't present the recipient with an opportunity to get back in touch.

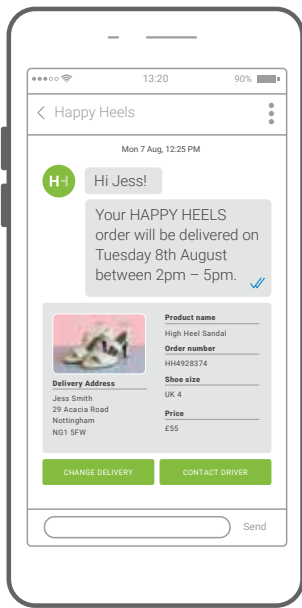
By making your messages interactive, the customer has the opportunity to reschedule their delivery at a more convenient time, or notify the driver of a safe place to leave the package.

Prevention is, after all, better than cure: encouraging customers to respond directly with up-to-date information or request a different delivery slot for later that day will reduce the number of failed deliveries and the associated cost. PCA Predict's analysis indicates that 22% of all contact information is incorrect¹⁵ which accounts for a number of failed first deliveries.

It's critical to collect accurate customer information. Verifying addresses and details *before* delivery is attempted by using SMS is simple to implement; the usual 'we will attempt delivery of your parcel today' text message goes out but with the option for the customer to reply back if there are any issues to be addressed.



.....
of **households prefer SMS** as a means
of receiving delivery information.



Example RCS message.

2. Interactive text messages using RCS

It's anticipated that Rich Communication Services, or RCS messaging, could replace SMS as the default messaging app on smartphones. It provides a much more feature-rich interface with interactive buttons and app-like features.

Using RCS would open opportunities to provide customers with live parcel tracking sent straight to their mobile. They could also be presented with clickable buttons to reschedule their delivery or speak to an agent or driver which could help reduce the number of failed delivery attempts.

3. Giving your customers a voice

Delivery and logistics companies are particularly vulnerable to negative commentary on social media and online review platforms. Even the company voted the best parcel firm in the UK by MoneySavingExpert.com's users performs poorly on review sites because of the quick-trigger feedback that the internet has fostered – companies are not given the opportunity to correct the issue before the complaint is made public.

But you are not powerless to affect this; if you take steps to measure the effectiveness of your service by proactively and quickly following up with customers, you're showing that you care – and can correct problems before they're aired online.

How about deploying an SMS Survey after a parcel has been delivered? You can combine 'delivery successful' messages along with a survey to capture your customer's experience while it's fresh in their mind.

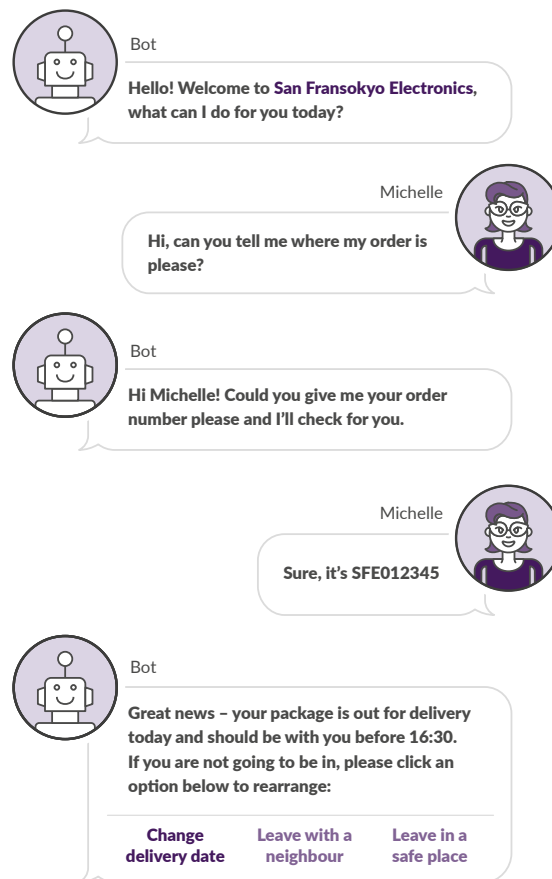
By using an SMS Survey, couriers and retailers can get a better idea of what their customers' experience is from start to finish, while also boosting response rates. The quick and easy communication channel presents the customer with a simple way of giving feedback with little effort from themselves. Esendex customers have experienced an uplift in the number of feedback responses by three times¹⁶ when compared with email, or a paper-based format.

4. Chatbot solutions

Frequently asked questions such as 'where is my parcel?' or 'when can I expect my delivery?' can be effectively and economically answered by a chatbot. Chatbots provide an instant way for your customers to get the answers they want without having to wait on the phone or connect to someone on live chat.

With a customised chatbot built around your business, a customer could type in their unique delivery code and an automated response would be able to tell them the latest updates, or display a route if it's in transit.

Other options could include rescheduling, getting in contact with a live agent, or changing delivery addresses. Japanese delivery firm Yamato used a chatbot within popular messaging app LINE to answer questions about the company as well as changing the date, time or location of a delivery¹⁷.



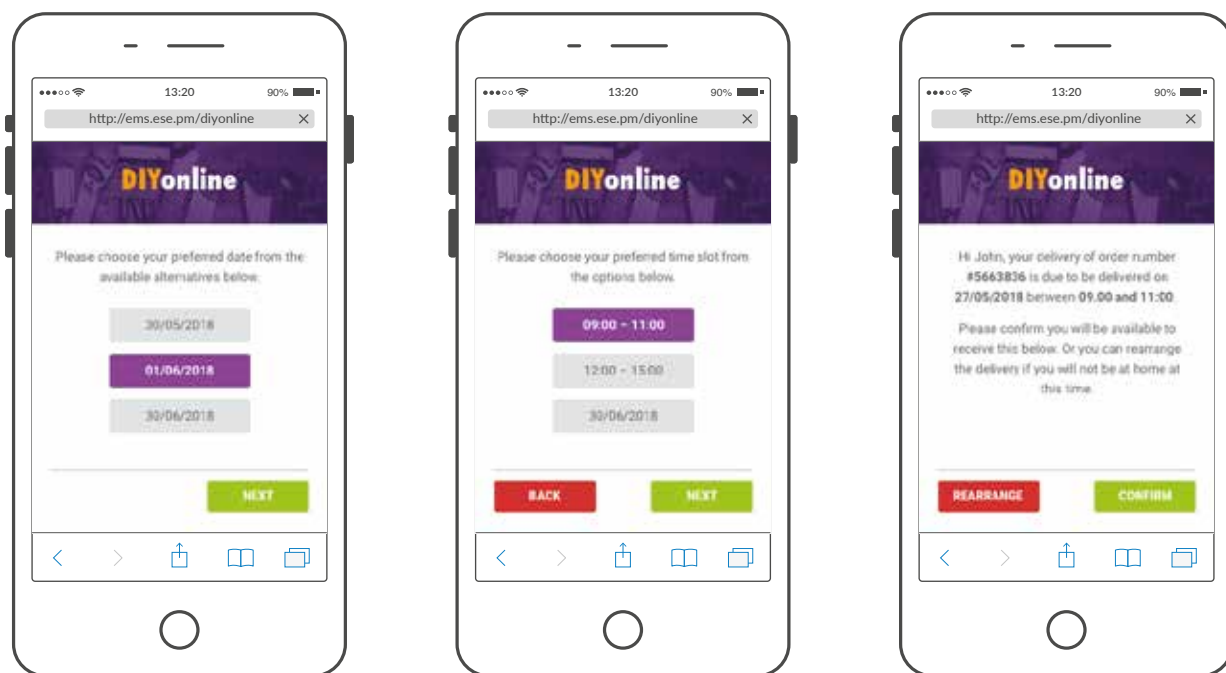
Example chatbot conversation.

5. Interactive delivery notice and scheduler

No one likes to return home expecting to see their parcel and instead find a failed delivery notice through the door. Mobile web apps can provide customers with an instant failed delivery notice.

As these mobile web apps can be personalised to individual customers, it would be possible to send an electronic delivery notice with a handful of pre-populated information regarding attempted time of delivery, tracking number and reason for failure by linking with a CMS system.

From there you can provide a form allowing the customer to reschedule, change address or provide an alternative safe place within minutes, or even seconds, of the failed delivery, enabling the chance to attempt redelivery on the same day.



Example mobile web app.

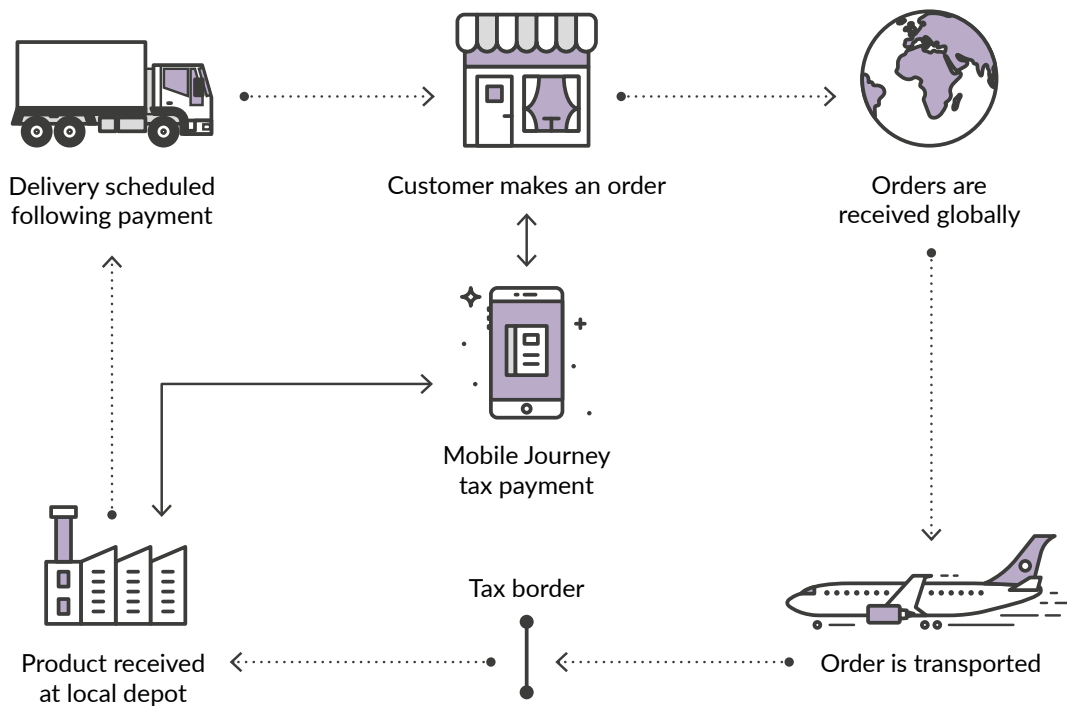
Collect import tax more effectively

6. Make payments simpler

Almost ubiquitous mobile phone ownership presents an opportunity to reach customers with an invoice and payment solution faster than paper alternatives. A mobile payment request can be automatically sent from the local depot sorting office.

This request can link to a unique mobile web page with information about the duty tax that needs to be paid. It can reinforce the need to make a payment, and link directly with a mobile optimised, PCI compliant payment solution.

Delivery of the item would be withheld until successful completion of this payment has been made. The mobile journey could be extended after payment has been made to arrange delivery on a certain day.



Example process for collecting import tax using Mobile Journeys.

Simplify employee communications

7. Simplify onboarding

You can cut down on paperwork and mailing costs by using mobile forms to sign-up and register new drivers. Similarly, you can reduce the amount of time spent reviewing application forms, as a mobile form can instantly qualify and disqualify candidates if they don't meet certain criteria.

Granted, job application forms only have an 8% completion rate on desktop and 1.4% on mobile¹⁸ – but by using a mobile-first dedicated platform, a far higher completion rate can be achieved as distractions are removed, input is simpler, and the form can be completed anywhere.

8. Job allocation

A voice broadcast can call every active driver on your database within a predetermined radius of the collection postcode. The automated message will provide the drivers with the option of pressing a number to be transferred to an operator and accept the job.

Including the option for the driver to input an ID before being transferred to the controller adds self-verification, creating a smooth transition from answering a call to having the job transferred to the responding driver.

By using a voice solution, drivers are able to pick up job requests and connect directly to an agent handsfree. Confirmations can be sent by text message and read between deliveries or at the next opportunity.

“ Esendex has been vital in coordinating and organising my business. Having to contact multiple drivers at the same time, used to be a time consuming and labour intensive task for my team, when we were making manual phone calls.

Esendex's bespoke voice and SMS solution, which we integrated into our own in-house job management system, has saved us from having to make expensive and repetitive phone calls, thus saving hundreds of hours a year, reducing our costs and speeding up the operational process. It has been a revelation and stunningly efficient. ”

Andy Stephans – Director at Courier Expert

Conclusion

It's not difficult to see that communication plays a huge part in the logistics industry. EFT's 2016 Global Logistics report found that 46.1% of respondents want to gain new business by being innovative and create new offerings. Technology is an important enabler and helps couriers play more of a strategic role to their customers.

New technologies such as chatbots, RCS messaging and drone deliveries are emerging at an ever increasing rate and it's necessary that logistics, courier and delivery services are equipped to deal with growing demands from more and more customers.

At Esendex, we're experts in making business communication better. Whether it's improving customer service at the end point or freeing up delivery controllers' time and making business run more efficiently internally, we're confident that our solutions can help you. We've dealt with couriers and logistics services of all sizes and created bespoke solutions that improve business operations.

We'd love to speak with you and walk you through some of our workflows and technologies. Get in contact with us today to find out how we can help.

About Esendex

Esendex is a mobile business communications provider helping thousands of customers worldwide.

We offer 1-2-1 account management to help you get the best out of your transactional and marketing campaigns, and have direct network connections to all of the major networks, meaning that your messages will be delivered quickly, securely and reliably.

To contact your account manager:

 Call **0345 356 5758**

 Visit www.esendex.co.uk where our agents are available on [LiveChat](#) (office hours only).



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