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Improving Your Delivery Experience: Metrics That Matter

Ecommerce revenues are on track to reach **$6.54 trillion**[1] in 2022. In **2018**[2], 79.2 percent of Americans bought goods and services online – a number expected to grow to 90.8 percent in 2023.

With giants like Amazon and Wayfair dominating the online retail market and **83% of customers leaving a retailer**[3] after just one poor delivery, measuring both the customer experience (CX) and delivery experience are key to online retail success.

Delivery Experience Management (DEM) plays a critical role in avoiding negative touchpoints. DEM provides you with full shipment visibility, allowing you to analyze and optimize delivery cost and speed. Additionally, DEM empowers your team to take action to keep delivery exceptions from affecting customer retention while making your team more efficient.

Whether your role is in eCommerce, logistics, supply chain or customer care, DEM can help you exceed your KPIs.

Metrics like transit time, inbound call rates, time to resolution, customer acquisition cost, perfect order, net promoter score, and more will be greatly improved by having more visibility and control over last mile delivery.

What is
Delivery Experience Management?

The art of proactively ensuring that your customers get their orders how and when they expect, upholding brand promises

Your Delivery Experience Management (DEM) platform can answer these critical questions for you:

? How can I avoid negative customer calls?

? How can I reduce the impact of customer issues and reduce costs?

? How can I improve delivery performance?

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[1] Statista.com - https://bit.ly/2eWZ8Zx
[2] Statista.com - https://bit.ly/2nYMfr0
[3] Getconvey.com - https://bit.ly/2oCS3GX

"We've noticed that when we take proactive action resolving problems with our customers, we not only see a reduction in our customer calls, but we also see an increase to our Net Promoter Score."

- Greg Dahlstrom, VP Operations and SC, Bodybuilding.com

How can I avoid customer calls — especially WISMO?

When your customer has a problem with their delivery, your customer care team is usually the first to hear. **"Where's my order" (WISMO) calls make up 30-50% of the average retailer's incoming call volume**. Making matters worse, many customer care representatives, do not have the tools or processes in place to meet this need today—often responding reactively to inbound calls, and in many cases sending shoppers to brave a carrier's 1-800 number.

One inbound call costs roughly $5 in labor.

If you ship 50,000 orders per month and have a 15% WISMO rate, you're spending $270,000 to $630,000 in annual labor. Add the costs of reships and customer appeasements, and you're looking at a major hit to your bottom line from every delivery mishap that occurs.

With DEM, you can use multiple methods for customer call avoidance:

- Combining tracking pages with up-to-date and accurate carrier information and customer alerts
- Bi-Directional feedback gives the customer the option to flag an issue, give general feedback, or ask a question within the tracking page
- Customized Email and SMS Alerts to keep your customers informed of their shipments' progress, so they don't have to call you to ask, "Where is my order?"

DEM enabled customer communication **reduces your number of WISMO calls by up to 75%** – which, when combined with the shortened call times, has a huge impact on your overall costs.

How can I improve operational efficiency, even with a small team?

Delivery exceptions can rack up some serious costs. While carriers can charge $8-15 per parcel where they have to correct the address, redeliver, or return to sender; and significantly more for freight, **the biggest cost from poorly handled exceptions is lost customers**.

The good news is, handling some of the more common delivery exceptions, such as damages and address correction, shouldn't require a big investment from you.

With DEM, you can handle an incorrect address issue on a parcel or freight shipment before it impacts a customer — or is dropped in a warehouse to collect storage fees. Instead of trying to keep track of shipments on a spreadsheet (and not learning issues until your customer calls to complain), you can head off problems before they get out of hand.

Retailers who proactively identify a delivery issue — sometimes before customers even notice what has happened — go a long way toward keeping customers happy. Not only do retailers see reduced WISMO calls, but also increased NPS scores, and higher customer Lifetime Value (LTV) as a result of successful DEM. Many retailers even invest their new-found time back into improving the delivery experience, resulting in increased Average Order Value (AOV) and happier customers.

Actionable Exceptions Include:

- Damaged Packages
- Delivery Delays
- Incorrect Address
- Failed Deliveries

BONOBOS

Our commitment to providing... exceptional customer experience includes offering a better delivery service. One Bonobos customer took to social media to thank our CX team after seeing an issue with his shipment and finding out they had already processed an overnight replacement before he called.

- David Sasson, COO + CFO, Bonobos

How can I improve network-wide delivery performance?

About 53% of retailer transportation cost is from last mile delivery.[4] The challenge in optimizing the last mile is comparing performance across dozens of service levels, carrier partners, and fulfillment networks. You also need to analyze the effect of delivery experience on your costs and customer satisfaction.

That may seem overwhelming, but there are some key metrics you can use to identify sticking points in your delivery process and correct them.

Key Metrics

Cost Per Shipment

Because different carriers report different data, this one can be hard to pin down. You need to compare costs across different service levels and types in order to calculate your average cost per shipment.

Transit Time

Measure the delivery days by service level in order to compare carrier performance and be better able to meet delivery promises.

Perfect Order Percentage

How many deliveries are made on the day they were promised, with all items fully intact? Access to timely delivery data can dramatically improve your customer satisfaction levels – without adding extra cost to the delivery.

On-Time Percentage

Monitor the number of deliveries made on the same day as originally estimated at the time of shipment.

CAUTION: Carriers often report this rate compared to a revised estimated delivery date, rather than the original one given to the customer at the time of purchase. Your customers are going to judge your delivery based on the date they were given, and if the estimated delivery date is changed, they'll count it as late.

These metrics help you improve efficiency by showing where you are excelling, and where you need to make adjustments. With DEM, reduce the time your team spends searching across spreadsheets, websites, carriers, and systems to quantify these metrics and instead, have them at your fingertips.

Not only can you improve the delivery experience, but analyzing these key metrics in real-time can also help you cut costs – for example, on-time percentage data can help you decide when to switch from your current carrier to a cheaper option with the same performance. Or use the DEM analytics to help in your contract negotiations with carriers, since you can show delivery feedback data gathered from customers.

[4] Businessinsider.com - http://bit.ly/2o0GGsH

Calculating the ROI on your DEM platform

We've covered many of the benefits of using your DEM platform effectively, but how do you actually calculate the ROI on the platform? Here are a few metrics to consider:

C
Call Avoidance

30-50% of inbound calls to customer care centers are "Where Is My Order" (WISMO) inquiries. Each of these calls costs roughly $5 to resolve – so a platform that can reduce the number of these calls, in addition to time to call resolution, will save you a ton of money over time.

O
Operational Efficiency

The data you collect via your DEM platform will help you reduce time spent searching across spreadsheets and other systems for answers. While you may not have thought of measuring the difference in productivity from working across spreadsheets and systems versus in your centralized DEM platform, the employee efficiency gain can be significant enough to reduce or scale your employee force (FTEs).

R
Revenue Generation

Investing in last mile delivery can yield surprising benefits in top-line growth. Tracking repeat visits to your ecommerce site from tracking pages can show you how much recurring business your DEM platform helps you earn. Repeat customers are especially valuable because they convert at higher rates than new customers.

E
Exception Recovery

Return-to-sender, damages, delays and incorrect address issues are the most actionable exceptions, and the easiest to resolve — even with a small team — and can have a high impact. Solving exceptions proactively not only reduces future WISMO calls, but is proven to improve NPS scores, increase LTV, and reduce overall customer churn.

For example: You may find your DEM platform reduces the cost on WISMO calls by 30%. You can also see case load efficiency -- how many actions your team is able to perform and how many customers they're able to interact with -- and calculate how much you're saving from streamlining your workflows.

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Take Control Of Your Delivery Experience

Understanding your carrier performance, customer satisfaction with delivery experience, and last mile metrics is just the first step to optimizing your last mile delivery costs, margins and customer loyalty.

☐ **Today:** Document your customer's delivery journey and get an understanding of major stakeholders

☐ **This Week:** Define and document relevant delivery experience metrics & benchmarks

Call Avoidance

Inbound Call Rate ☐

Annual WISMO Call Volume ☐

WISMO to non-WISMO Call Ratio ☐

Avg. Handling Time Per WISMO Call ☐

Negative Feedback Percentage ☐

Revenue Generation

Avg. Order Value ☐

Conversion Rate from Tracking Page ☐

Current Cost of Acquisition (CAC) ☐

CSAT/NPS

CSAT/NPS Scores

Current ☐   Goal ☐

Operational Efficiency

Perfect Order Percentage ☐

Avg. Cost Per Shipment ☐

Avg. Transit Time ☐

Avg. On-Time Percentage ☐

Hours Spent Pulling Together Last Mile Data

Per Week ☐   Per Month ☐

Exception Recovery

Annual Actionable Delivery Exceptions:

Incorrect Address ☐

Damaged Packages ☐

Lost Shipments ☐

Return To Sender Issues ☐

Failed Delivery Attempts ☐

Annual Cost of Appeasements ☐

Use our **ROI calculator** to quantify the economic impact of improving your delivery experience

☐ **This Month**

- Socialize DEM concept and potential results with all customer-oriented teams (Supply Chain, Logistics, Customer Care, eCommerce Operations, Transportation, etc)

- Target the top priority metrics to impact

- Identify team and tools needed to become proactive

About Convey

With delivery expectations skyrocketing, brands cannot leave the critical last mile to chance. Convey's Delivery Experience Management platform combines real-time visibility, post-purchase experiences, and advanced insights and analytics to create a solution uniquely capable of perfecting last mile delivery. Supply chain and customer experience leaders including Neiman Marcus, Jet.com, and Eddie Bauer rely on Convey's software and expertise to take action to ensure shoppers get their orders how and when they want, resulting in happier, loyal customers and a lower cost to serve. Founded in 2013, Convey is backed by Silverton Partners, Techstars Venture Group, RPM Ventures and based in Austin, Texas.

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www.getconvey.com