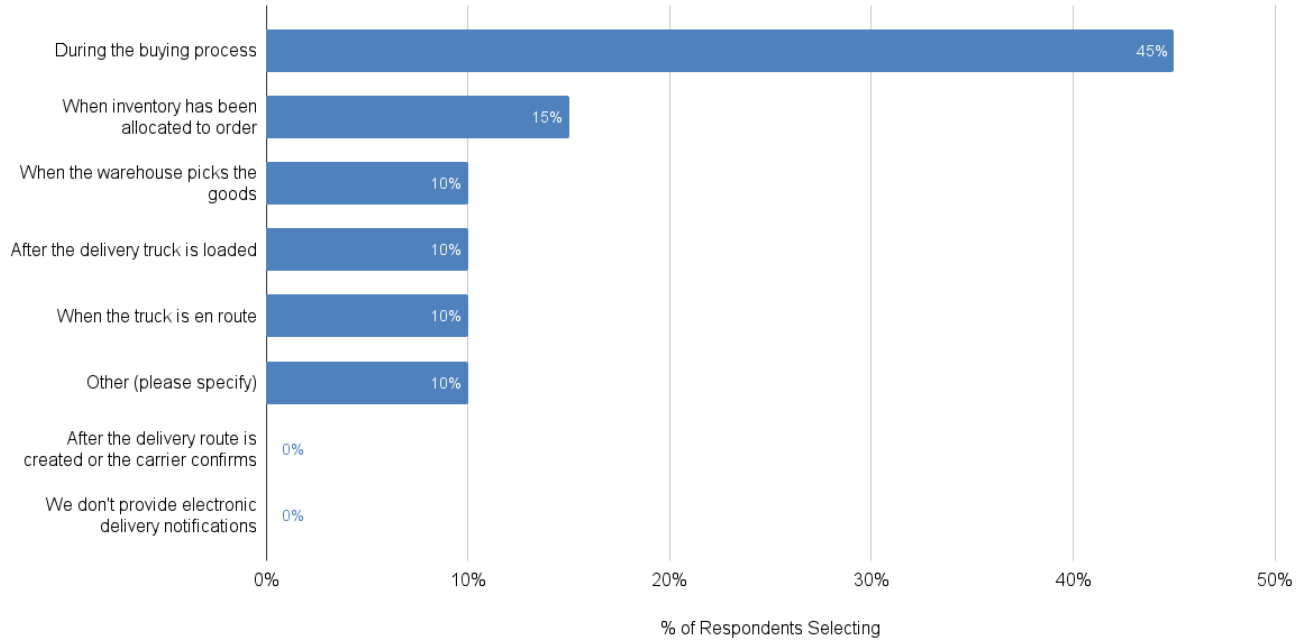
RESEARCH BRIEF

Engaging With Customers About Deliveries

BE UNCOMMON. RESEARCH WITH PURPOSE.

July 24, 2023

When do you start engaging with customers about their deliveries?



RESPONDENT PROFILE

Respondent Profile (n=20)

Seniority Level		Industries	
Manager	35%	Food & Beverage	35%
Director	35%	Retail	10%
VP	20%	Consumer Goods	15%
SVP	0%	Distributor	5%
CxO	0%	Automotive	5%
Other	10%	Manufacturing - Other	30%
		Medical Equipment	0%
		Building Materials	0%
Geography		**Company Size**	
North America	85%	> $1 Billion	45%
Europe	5%	$501M - $1B	10%
Asia	5%	$100M-$500M	35%
Latin America	5%	< $100M	10%
Middle East	0%		
Other	0%		

SURVEY INTRODUCTION

For B2B and B2C companies alike, delivery is becoming a competitive differentiator and a key driver of customer experience. Everything can go perfect on the front end of the sales process, but a poor delivery experience (e.g., late, missed, damaged) can quickly negate it all. How well do you engage with customers about their deliveries?

SUMMARY OF RESULTS

Almost half the respondents (45%) start engaging with customers about their deliveries during the buying process; another 15% do so when inventory has been allocated to the order. "Other" responses include "Via advanced ship notice when the truck leaves our dock."

A large majority of the respondents (85%) provide "ETA based on standard lead times"; only 5% provide "Dynamically calculated ETA using real-time GPS."

40% of the respondents allow customers to "View delivery details in customer portal," but only 10% allow them to confirm deliveries themselves, and only 5% allow customers to cancel deliveries themselves and to contact delivery drivers en route.

More than half the respondents (55%) do not send post-delivery surveys; only 20% send surveys immediately following a delivery.

Almost half the respondents (45%) said they do not engage electronically with customers about deliveries. Among those that do engage electronically with customers, "Increased customer satisfaction" (30%) and "Reduced customer calls about delivery status" (30%) were the top benefits achieved.

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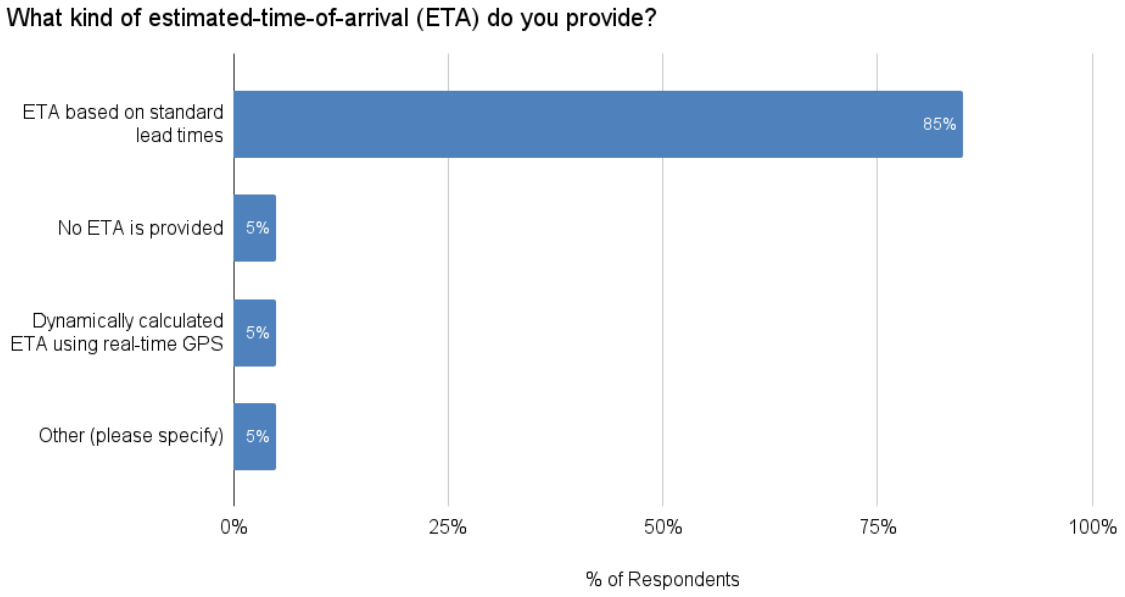

NOTES

n = 20 for this question.

"Other" response:

We ship all items via overnight delivery [except special orders]. When customers order, they know they will receive the items next day.

ANALYSIS & COMMENTARY

So, what do these results tell us?

Overall, at least within members of our Indago research community, it appears that most companies are only doing the basic minimum when it comes to engaging with customers about their deliveries. That is, they are discussing delivery options/expectations with customers primarily during the buying process and they're providing customers with estimated times of arrival based on standard lead times (as opposed to providing them with dynamically calculated ETAs using real-time GPS).

In short, many companies are missing out on realizing measurable business benefits -- such as increasing customer satisfaction, reducing customer calls about delivery status, and reducing disputes and claims -- by not enhancing their approach and capabilities in this area.

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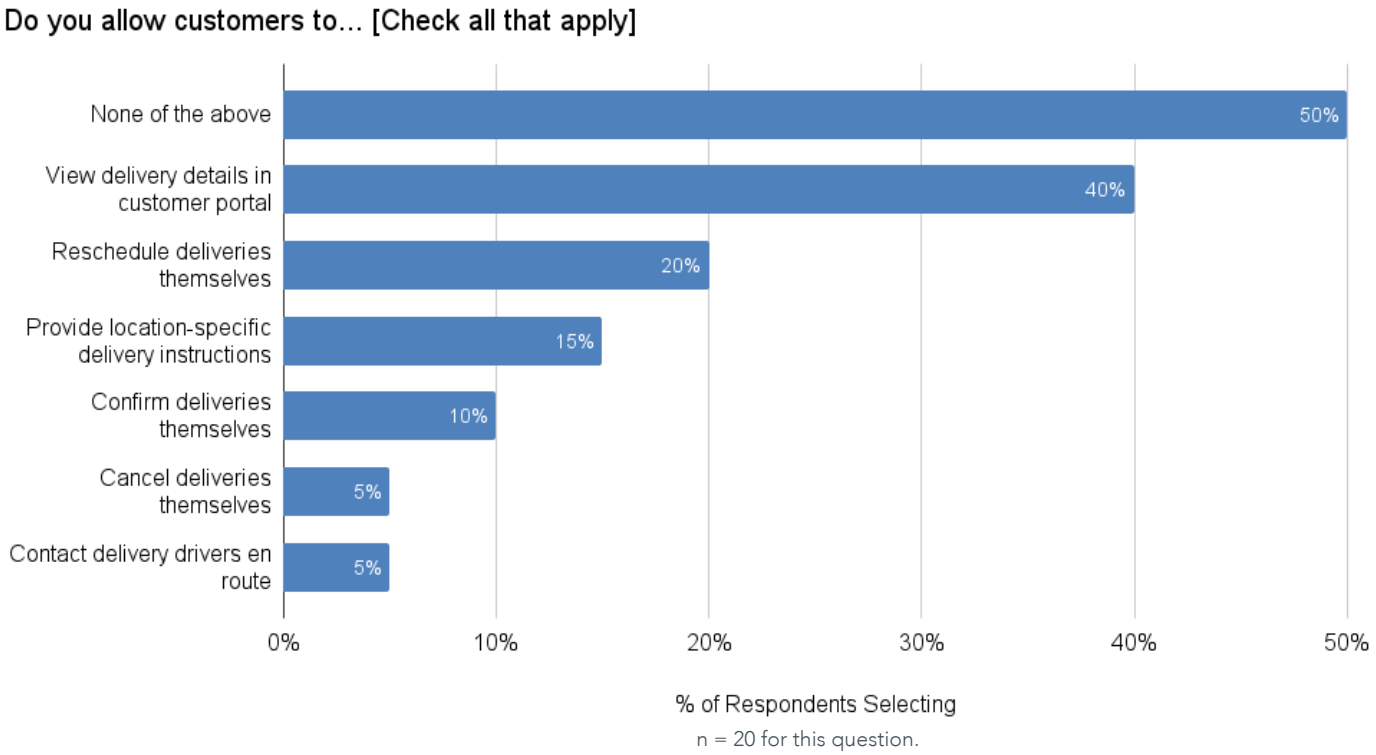

n = 20 for this question.

ANALYSIS & COMMENTARY (cont'd)

Several Indago supply chain executives recognize that an opportunity for improvement exists in how they engage with customers about deliveries, as these two comments illustrate:

> *"I think we can improve by giving customers more choices for services and delivery options (e.g., curbside pickup, other pickup locations, [faster/slower delivery lead times). We could also provide more visibility into order status, as well as post-purchase functionality (e.g., allow order changes, changes to delivery address, changes to delivery service type after the order has been placed). Technology will help with enabling these capabilities (new apps, new tools), but engineering resources will also be needed to implement these capabilities."*

> *"Our intent is to provide customers with tools for them to manage their deliveries once shipped. Real-time visibility tools will be deployed and accessible on-line for customers to retrieve information and help manage their delivery process."*

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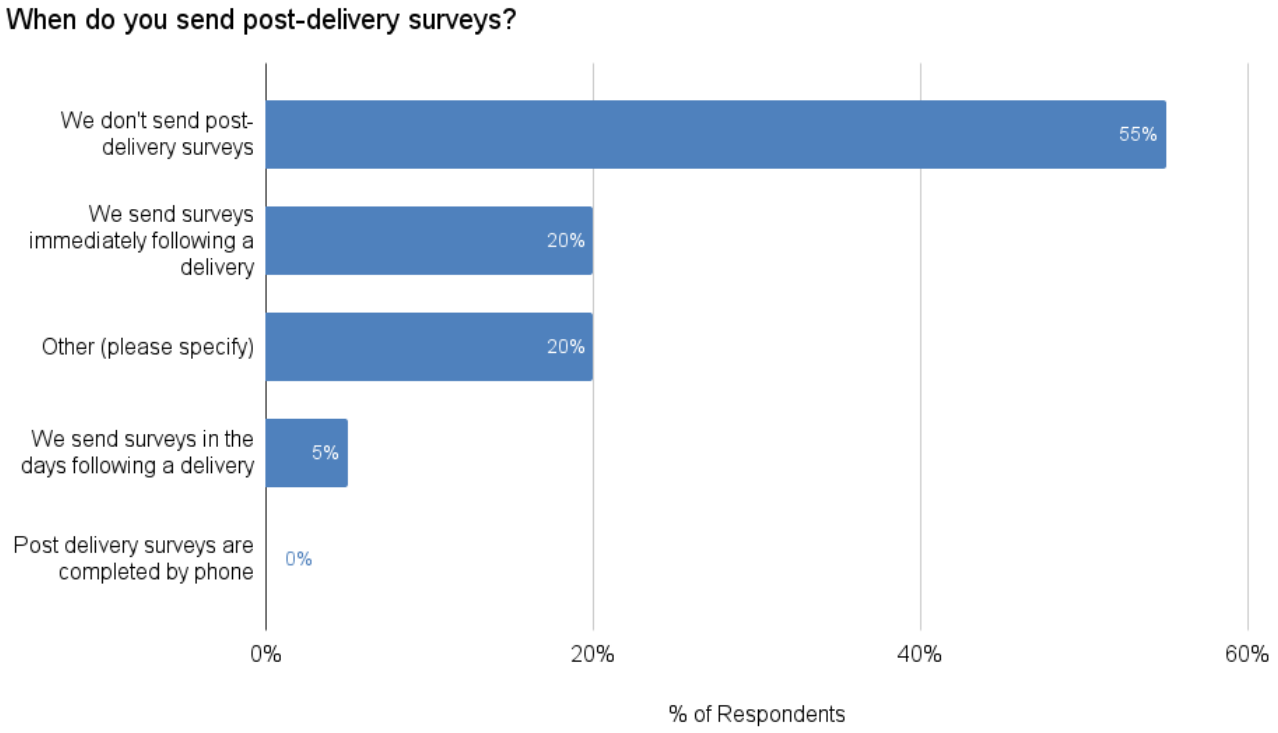

NOTES

n = 20 for this question.

"Other" responses:

We only survey customers on an annual basis about the overall relationship.

We don't handle actual delivery, so not relevant.

Normal follow up with Customer Service.

ANALYSIS & COMMENTARY (cont'd)

Comments by other executives point to perceptions that may be holding some companies back from taking action to improve in this area.

For example, one executive said that "We don't handle actual delivery, so this is not relevant to us." Presumably, this company works with a third-party logistics provider to manage deliveries. The problem with this perspective is that if a negative delivery experience occurs, the customer will almost always hold the manufacturer or retailer they purchased the product from responsible, not the third-party logistics company (see "Delivery: A New Moment Of Truth"). In other words, while a manufacturer or retailer might outsource the delivery operation to a third party, they don't outsource the responsibility for ensuring a delivery goes well. The buck ultimately stops with the brand owner.

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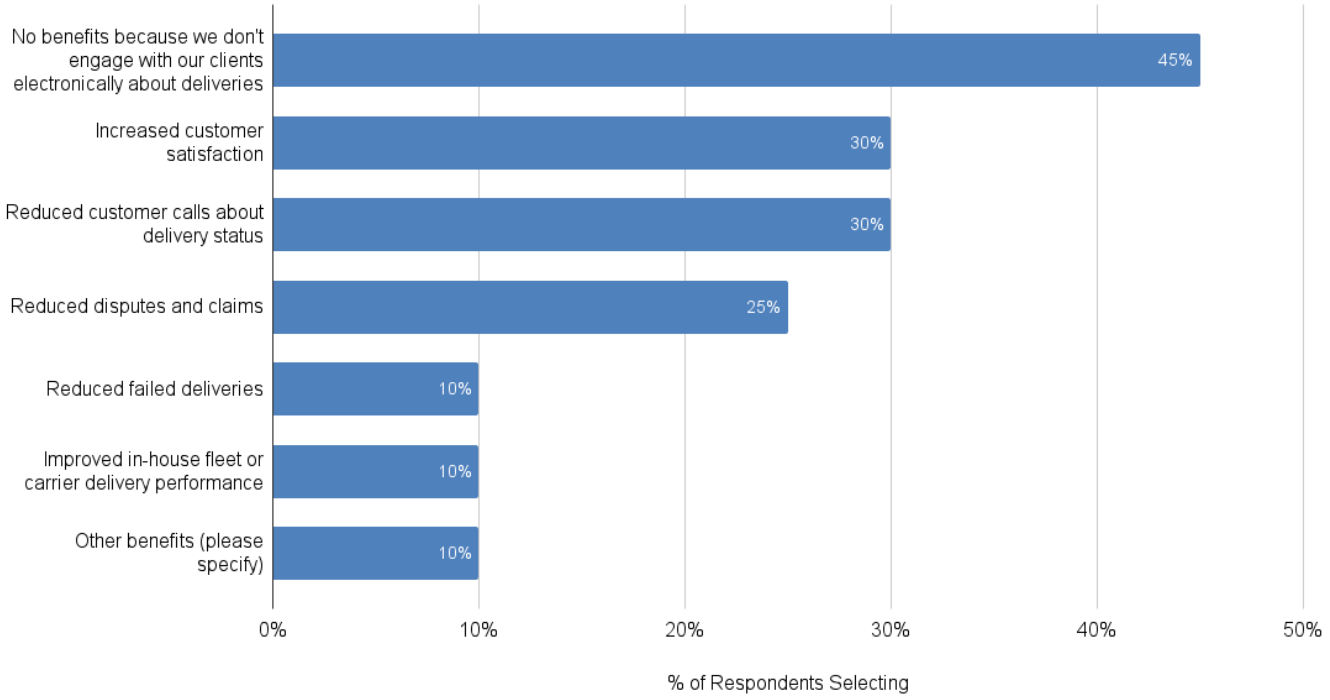
Engaging With Customers About Deliveries

Which of the following benefits have you experienced by engaging with customers electronically about their deliveries? Check all that apply.



NOTES

n = 20 for this question.

"Other" response:

Increased customer confidence because they know they will receive their order next day.

ANALYSIS & COMMENTARY (cont'd)

A couple of supply chain executives submitted comments questioning whether engaging with customers in a more frequent or broader way made sense considering their shipping volumes:

> *"With the scale at which we operate (5K+ shipments per day), it will be very difficult to have any proactive communications with customers on delivery issues that are not standard canned messages."*

> *"We deal with the large grocery chains, so this is not something they request due to our large volume of shipments."*

These comments suggest that some companies might view increasing their engagement with customers about deliveries as being too labor intensive. They also might not be aware of existing technology solutions -- especially those that enable customer self-service capabilities -- that can help streamline and automate this process.

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ANALYSIS & COMMENTARY (cont'd)

As noted earlier, only 40% of the respondents allow customers to "View delivery details in customer portal" -- and even fewer provide customers with self-service capabilities such as the ability to reschedule deliveries, provide location-specific delivery instructions, confirm deliveries, cancel deliveries, or contact delivery drivers en route.

Simply put, with well-designed processes enabled by technology, engaging with customers about deliveries can be scaled and automated in a labor efficient way, especially if customers are provided with self-service capabilities.

Other Indago supply chain executives underscored the importance of leveraging technology in this area:

> *"Using an automated solution is the best approach."*
>
> *"Technology is a key enabler in this area. This is where we are actively focused."*
>
> *"Providing real-time, predictive visibility to customer deliveries is an important aspect of our service."*

THE BOTTOM LINE

With delivery becoming a key competitive differentiator for companies in both the B2C and B2C sectors, how they engage with customers about their deliveries will become increasingly important. Our survey results suggest that many companies have a lot of room for improvement in this area.

At a minimum, by not sending out post-delivery surveys, many companies are not capturing any data or feedback about their delivery performance, thus limiting their understanding of what is working well and what is not. Many companies are also not providing customers with updated estimated time of arrivals (ETAs) based on real-time GPS or with self-service capabilities for them to manage their deliveries. These capabilities will separate the leaders from the laggards moving forward, and by leveraging technology in this area, they will be able to streamline, automate, and scale their customer engagement processes and realize measurable business benefits via reductions in customer calls, disputes and claims, and failed deliveries (among other benefits).

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