

# How Differentiated Delivery Service Can Drive Premium Pricing for Even Products Like Sand

The challenge many distribution-oriented companies face is how to get a premium price for their products, especially when they are considered commodities. Sadly, too many companies still don't believe it possible. Well, I found the ultimate example of premium pricing through differentiated delivery service. The company is BC Sands. Yes, they sell sand and, if someone can sell sand at a premium price, then you should be able to do it too for your products. You just need to understand where the differentiated delivery service value point lies for your customers.



BC Sands is an Australian company that sells and distributes sand and other bulk building materials to construction and sites requiring landscaping. The construction and landscaping business is very dynamic with project schedules in constant flux. Because labor is such a high cost, contractors place considerable value on being able to make orders for building supplies at late as possible, get the delivery in a tight time window and track the progress of their order. The challenge is even more complex because most of those orders require same-day delivery.

What differentiates BC Sands is that it can offer highly reliable time-definite, same-day delivery to its customers. Customers are able to contact the company and instantly get time same-day time delivery time window and track the delivery. As a result, their contractors are willing to pay a premium product price because of the precision, speed and reliability of their service because it keeps their crews productive.

There is a natural inclination to think that this high quality, differentiated service comes with higher delivery costs, but that is not the case. Through a combination of GPS tracking, dynamic delivery appointment scheduling and real-time planning, new orders are automatically evaluated against the live dispatch schedule providing BC Sands' with delivery choices that are economically scored allowing them to present the lowest delivery costs choices. In addition, they are able to keep fleet in motion and productive throughout the day, even reducing turnaround time at their distribution centers.

Probably the most compelling part of the story is that BC Sands is not a large company (<50 vehicles), yet they have grasped what even the largest distribution companies have not achieved – they understand how their delivery services are helping their customers in a material way. As a result, they didn't flinch when it came to charge more for their products. It is a critical lesson for companies of all sizes. BC Sands is an amazing story and one reinforces the notion of delivery service as a competitive weapon and top line growth opportunity. How is your company using superior delivery service to change its market position?