

Home Delivery: Then & Now

Home delivery is not a new service. It has been around since traveling salesmen first brought housewares and tools by horse and buggy. As cities rose up from the prairies, home delivery included daily deliveries of newspapers and farm fresh milk. The rush home delivery service is not new either. It was born in the 1950s as a byproduct of the car culture when small pizzerias began offering home delivery.

Following the internet boom of the 1990s, E-commerce became a big component for the growth of retailers. With increasing frequency, shoppers began placing orders online for all types of goods ranging from furniture, to electronics, apparel, books, beauty products, medications, and more. Retailers are now faced with competing not just with the store next door, but also simultaneously with an untold number of online stores.

Technology and its Impact on Home Delivery

Technology not only changed the shopping venue, it gave way to more sophisticated supply chain solutions. This has enabled retailers to improve their practices in inventory management, warehousing, and distribution. Similarly, trucking and courier companies began to reallocate their resources, amend their software, retrain their staff, and change their operations to support the home delivery boom.

Technology has not only brought additional information for retailers to make decisions, consumers are also armed with more knowledge. Consumer review sites, such as Yelp and Opinions, allow customers to post reviews of products and services for others to read and aid in their purchasing decisions. From this additional knowledge consumers have at their disposal, their expectations of delivery service now play into the mix of purchasing decisions. Retailers and e-tailers are constantly being challenged to explore mechanisms and behaviors to differentiate themselves in the marketplace on more than price. Consumers now have many different shipping options available for online or in-store shopping.

No longer is it acceptable for delivery “sometime next week”. Neither is asking the consumer to be home for eight hours of the day to accept their delivery. Retailers need to be prepared to deliver the sale at the customer’s convenience, including completing the delivery on the same day, within the specified time frame.

Regardless of the logistics model, in-house or outsourced, as far as the customer is concerned, the home or office delivery experience is perceived as part of the overall shopping experience. Uniformed, polite, skilled, and conscientious strangers enter the customer’s home to complete the sale, making them the last touch of the brand. When your goods are delivered inside someone’s home, delivery personnel have to be careful to not soil carpets, ding walls, or even worse, break lamps, ornaments, or works of art. It is a much more skilled delivery than the UPS or FedEx driver ringing the doorbell to tell notify that your package has arrived. The home delivery experience is a moment of truth for any retailer, and determines the final sentiment that a customer develops – and more than likely will share the experience with their online communities.

Investing in the Supply Chain

Investing in the development and maintenance of a supply chain network that consists of warehousing, staff, equipment, vehicles, and software may not make economic sense for a retailer. These pieces of a supply chain require a sizable initial investment when done in-house. Relying on services such as FedEx, UPS, or USPS for delivery might suffice for some or even most of the order fulfillment, but is no longer enough to stay competitive and keep customers satisfied. Same day service, inside delivery, room of choice delivery, and set-up/assembly are factors to now be considered. Fulfilling these services requires

an investment in vehicles, equipment, and staff. All these factors come with management and human resource burdens.

While the financial and operational arguments to outsource are strong points, there remains the reality that the intimate connection with consumers inherent in home deliveries separate last mile from other delivery options such as FedEx, UPS, and USPS. In some instances, the delivery team may be the only people along the life cycle of a sale that have face to face contact with the consumer. It is essential to have quality teams that put the best foot forward as they are representing themselves, the delivery company, and the retailer or e-tailer simultaneously. This is where courier and logistics partners excel in providing a customized and personal touch for a retailer and their consumers.

Benefits to partnering with a last mile provider

Working with a third party last mile provider keeps the deliveries as transactional, so that as sales go up or down, the retailers have the financial benefit of only paying per unit. This allows for the retailer to partner with a provider and not have to worry about the financial risk or capacity risks during the ebbs and flows of peak and off peak periods.

The last mile is always the most important one in the supply chain as it is the final connection between retailer and customer. The last mile delivery service solves the “how do I get it home?” dilemma for the customer.

While sourcing a delivery company that fits your needs is important, the work does not stop there. Continually improving systems and personnel are vital to securing customer satisfaction. It is a best practice to regularly, if not with each delivery, survey customers. This service can either be an in-house practice or performed by your service provider. Regardless of who executes the survey, both parties should be regularly reviewing the feedback and results.

Establishing a regular review and meeting schedule with your supplier(s) goes a long way toward continual improvement. By agreeing up-front about which metrics are important, customized and regular reports should be generated for review and on-going discussion. These review meetings, and the customer survey insights will enable you and your team to improve best practices and secure happy and loyal customers.

FACTORS TO CONSIDER WHEN SOURCING

- Is the company financially secure?
- What is the degree or level of ownership and management involvement?
- Is on-going training (and certification where required) provided for all customer facing personnel?
- Do insurance and licenses meet or exceed the standards?
- Do their assets or equipment cover the geography needed?
- Do they have technology that is compatible to integrate with the existing retail operating system?
- Can they provide access to real time, on-line, status of all deliveries?
- Is there a commitment to continuous monitoring of established key performance indicators?
- Are there communication systems and protocols to confirm delivery or notify of any delays?
- Is there flexibility and capability in offering a range of delivery options?
- Can they provide skilled and trained staff to assemble or install items being sold?
- Are aftercare services from touch up to removal of the old merchandise and debris, to full reverse logistics offered?

The key piece to recognize is that a successful home delivery process is a team effort. It starts from the salesperson on the floor, and runs all the way through to the delivery team servicing the customer. Obtaining buy-in and providing on-going training and orientation with all involved parties is critical to achieving customer satisfaction.