Addressing Challenges for Home Delivery Service Providers
Solution for the Growing E-Commerce Marketplace
The global e-commerce market is emerging. In fact, research forecasts that global B2C e-commerce will reach $2.4 trillion by 2018. This explosive growth brings forth new customers, new opportunities and new challenges. One of the leading challenges will be controlling the last mile - the last leg of the supply chain, in which consumer products are delivered to the home. Individual challenges that home delivery service providers are facing is the opportunity to develop and sustain competitive advantage, retaining customers and ultimately growing market share. Customer retention and satisfaction have proven to be roadblocks and have a negative impact on the business’ bottom line. But as the market continues to grow, the solutions will too. In this white paper, we will discuss the challenges home delivery service providers face with home delivery and you will learn the knowledge essential to overcome these challenges with an innovative transportation management system.

“Pre5ision, is a ‘Last Mile’ delivery provider that understands that its purpose is not to go from point A to point B, but to enhance the delivery experience once at the customer’s location. Our intention is to create a “Perfect Delivery” for each and every single one of our customers’ transactions so that their customers will want to order again.”

Eric Francouer
GM - PRECISION Home & Office Deliveries Inc
Key Challenges for Home Delivery Service Providers

**Economics**
The “last mile” or “final mile” of home delivery services presents a unique set of challenges compared to the rest of the supply chain. The last mile delivery conundrum is not a recent occurrence but has become cost-prohibitive, especially for online retailers and their logistics partners. The last mile comprises of up to 28 percent of the total cost of the delivery. In terms of cost, the last mile constitutes the single largest segment of overall logistics expenditures and must be managed carefully to avoid negative impact on the business’s bottom line.

**Differentiate Services**
Even though the last mile delivery may come at the end of a very long supply chain, it is the most influential component in terms of brand impact. The last mile has been defined as not just another home delivery but the concluding experience the consumer has with a specific brand. It is key to differentiate a business in the eyes of potential consumers with value-added services.

**Competitive Advantage**
Home delivery is among the hottest trends in the logistics field today, especially among retailers, both online and brick and mortar stores. Individual challenges that home delivery service providers are facing in this trend is the opportunity to develop and sustain competitive advantage. To overcome these pressures, there needs to be a service differentiator for a competitive brand advantage.

**Customer Retention**
“White glove” services offer a higher level of attention to products a consumer has ordered. By offering white glove delivery services it enables businesses to maximize customer retention and increase customer referrals by providing customizable last mile delivery, assembly and installation solutions.

**Customer Experience**
Today’s tech-savvy consumers are making more online and mobile purchases. They have come to be dependent on the self-serve tracking features and fast, accurate order fulfillment delivered by top e-commerce retailers. In essence, consumers are looking for that “perfect” home delivery experience.

**Customer Expectations**
In an ideal world, customers want rapid delivery as well as visibility and control over their deliveries; anytime, anywhere and from any place. It is up to the professional courier to facilitate this in order to adhere to customer expectations.
Limitless Scalability
FedEx predicted that shipments from Black Friday through Christmas Eve will rise 12.4 percent over 2014 to 317 million pieces. Businesses looking to adjust to these seasonal demands, must conform to a scalable delivery model. In order to achieve this, businesses will require the ability to adapt and activate contractors when necessary.

Contractor Support
It is important to have a user friendly technology platform that contractors are able to use and not worry about obstacles with different hardware and software. The ability to support Bring Your Own Device (BYOD) initiatives means that drivers can use the device they are most familiar with. Businesses can easily manage contractors to obtain operating cost savings.

Driver Management
Many service providers are striving to generate new revenue opportunities. By implementing better business processes, firms will be further equipped to manage these new found opportunities. One method would be to better manage the driver pool by endorsing automated tools to manage allocated workloads. Leveraging modern technology, drivers will then be equipped with simple, user-friendly tools to complete day-to-day tasks.

Surge in Fuel Cost
With the inevitable rising cost of fuel, efficient routing of drivers is an important part of keeping within budgets. It is imperative to control and reduce transportation costs by maximizing the number of stops a driver makes and minimizing the time a driver spends driving, back tracking or obtaining route directions. This is often obtained by grouping deliveries geographically to reduce drive intervals which translates in decreased costs for home delivery service providers in both time and fuel.

Proactive Status Updates
The e-commerce marketplace will benefit from more proactive information sharing between consumers and home delivery service providers, which in turn will trim operational costs. Regardless of how many hands the delivery passes through along the way, accountability and responsibility are part of a profitable delivery model. It is up to the home delivery service provider to provide status updates in order to inform consumers with immediate and comprehensive status updates regarding deliveries.
Addressing Challenges and Finding Solutions

Real-Time Visibility and Accountability
ShipTrack visibility tools keep drivers, businesses and consumers connected throughout the entire home delivery process with real-time visibility and accountability. With ShipTrack’s regular in-transit scans, home delivery service providers know immediately when that parcel is misplaced and where plus they have the ability to locate it faster with online reporting.

Value Added Services
By offering white glove delivery services, it enables businesses to maximize customer satisfaction during the last mile. Should the customer request a value added service at point of delivery, the ShipTrack app allows for adding these customizable services directly into the system and reduces any manual process. ShipTrack optimization and automation technologies have been developed to provide consumers with unparalleled service during the last mile.

Increase Efficiency
ShipTrack electronically processes incoming delivery orders, assigns routes based on delivery address and allocates to the specific driver based on the route. ShipTrack increases efficiency with features including automatic route planning and driver dispatch, turn-by-turn directions and immediate rerouting capabilities. With ShipTrack’s dynamic route management and automatic dispatching, vehicles spend less time traveling between deliveries translating into reduced fuel costs.

Streamline Communications
Detailed delivery information is sent directly to drivers’ mobile devices, where they can remotely update the deliveries in real-time. With ShipTrack, administrators can easily set-up, configure and manage multiple geographically distributed sites through an intuitive graphical user interface. As a result, businesses that are ShipTrack enabled can make deliveries faster and more reliably, operations are streamlined and profits are improved.
Proof of Delivery Platform
With ShipTrack, when a shipment arrives, signature capture is collected upon delivery using the ShipTrack mobile app. A proof of delivery letter confirming delivery is in good order/condition and then can be generated for records, with details including scan date, time, location and the name plus signature of the person who accepted the delivery. Businesses can then invoice immediately, reducing waiting time for payment.

Customer Expectations
ShipTrack optimization and automation technologies have been developed to provide customers with unparalleled services for last mile delivery. Providing excellent customer service to enhance the experience before, during and after the purchase is vital in keeping businesses alive and thriving. ShipTrack can help retain delighted and loyal customers as well as attract new business opportunities.

Compete in Market
ShipTrack can provide home delivery services with the ease, time lines and visibility that consumers have come to expect in the tech-oriented world. Consumers can track and receive automated notifications regarding their deliveries 24/7 via the ShipTrack customizable web portal.

Elastic Capacity
Elasticity in terms of economics means businesses need to be able to adapt. Businesses must be able to be responsive to the market and have the capacity to adapt with the changing demands during peak seasons. ShipTrack makes it simple to add or remove contractors as the business needs fluctuate. The track and trace logistics solution includes a free driver app for Apple, Android and Windows smartphones that can be effortlessly downloaded on any smartphone. The ShipTrack cloud includes virtually unlimited scalability and is based on a pay-as-you grow pricing model.

Reduce Costs
ShipTrack’s advanced, yet simple-to-use mobile technologies automate the process for home delivery service providers. Deliveries often fail to reach the intended recipient on the first delivery attempt, resulting in packages being returned to distribution center hubs. This translates to increased costs for delivery service providers in both time and cost. Home delivery service providers have the option of notifying the consumer their delivery is ready for pickup at an alternate location. ShipTrack and the online reporting capacities enables business to avoid these increased costs with a seamless flow of communication.
Customer Success Story

Background
PRECISION Home & Office Deliveries Inc., a rapidly growing firm based in Canada, has built its “last mile” delivery business by going the extra mile for customers. The ability to respond to the explosive demand for home delivery services by online shoppers has been achievable with ShipTrack.

Opportunity
PreSision’s major clients are global retailers who, in light of the recent growth in online purchases, wanted to improve home delivery service. The only way the firm could complete was to become much more efficient and effective in how it manages, processes, picks, sorts and assigns deliveries to drivers and routes. ShipTrack made it possible for PreSision to adhere to the deadline pressure.

Solution
ShipTrack’s intuitive and familiar interface means nearly zero learning-curve for drivers and camera integration makes scanning a package as easy as taking a picture. PreSision’s drivers average over 99.5% on-time delivery and consistently earn a 10 out of 10 when end-customers are asked about their delivery experience.

Results
With ShipTrack, PreSision saves 2.5 hours each day in administrative effort thereby allowing them to get their trucks rolling sooner in order to have deliveries completed the same day. PreSision also saw a 25% reduction of administrative burdens which also made the firm more efficient overall.

About ShipTrack

ShipTrack is an innovative logistics management platform that provides complete control and visibility of any shipment’s movement worldwide. ShipTrack enables vendors all over the world to provide complete visibility and control that their customers demand of their deliveries. ShipTrack is a simple, easy-to-use service that is providing highly accurate shipment tracking to the masses. The shipping system has the potential to benefit companies of all sizes by increasing delivery speed and reliability, improving customer service and retention and streamlining operations. The ShipTrack smartphone app is a real-time shipment tracker that allows for easy management of multiple drivers, deployment of a fully branded web portal, and the collection of valuable reports and business metrics.

To learn more about how ShipTrack can simplify your business, contact us at info@shiptrackapp.com.