



# GUIDE TO MASTERING YOUR SUPPLY CHAIN

**Part 1: Understanding Your Customer**

# UNDERSTANDING YOUR CUSTOMER

Many retailers, manufacturers and distributors have been playing follow the leader, speeding up fulfillment and delivery times because that's what everyone else is doing. Unfortunately, this game often ignores the entity that should be at the core of all business decisions - the customer. The perceived need for speed has blinded some shippers to what the customer actually wants.

While retailers are often more likely to focus on customer desires for experience, the end consumer's expectations are just as important to manufacturers and distributors pursuing direct shipment service. Regardless of your sector - retail, manufacturing or distribution - evolving consumer behaviors are constantly accelerating demands on organizations' ability to effectively fulfill orders.

## What Your Customers Really Want: Choices

Yes, many customers want speedy delivery, but more than that they want choice. They want delivery on their terms. Polling across our client base, we discovered that the needs of end customers go well beyond delivery speed to include three key areas:



Total control over delivery timing or just-in-time receiving



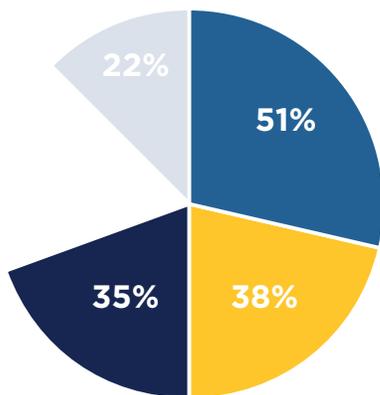
Multiple delivery location options with shipping to home, office or an alternative



Tailored delivery approach that includes specific receiving procedures

For many, cost - over speed - is the No. 1 driver in customer delivery preferences.

The UPS Pulse of the Online Shopper 2019 survey substantiates a similar trend toward delivery choices over speed. The survey finds that shoppers would consider:



- **Cheaper but slower shipping alternatives: 51%**
- **Incentives for slower shipping: 38%**
- **Consolidating multiple items into one delivery: 35%**
- **Being offered a gift card/ pre-paid card: 32%**
- **Simply being asked if the item is needed right away: 22%**

UPS Pulse of the Online Shopper 2019 Survey, Shopper Delivery Preferences

All of these customer preferences get to the heart of the matter - **customers want delivery on their terms.**

**Cost - over speed - is the No. 1 driver in delivery preferences.**

## Mastering Your Supply Chain: Three Actions You Can Take

As a provider of transportation and supply chain solutions, it is in your best interest to know everything you can about customer delivery preferences and build an informed, data-based fulfillment strategy. A few tactics to consider as you evolve the strategy that is right for you:

### 1. Go directly to the source

...the customer! Send a simple electronic customer survey or conduct short phone interviews to learn firsthand what your customers desire for shipping preferences. Often customers appreciate being asked – and you will hear firsthand what you can do to help them be successful.

### 2. Engage your front line

Your sales reps and customer support teams talk to customers every day. They likely hear about customer delivery preferences on a daily basis; ask them what they are hearing and what helps them win business and keep customers happy.

### 3. Leverage your marketing department

Marketing often keeps a pulse on emerging trends and your customers' purchasing behaviors. They may already have the information you need, and if they don't, they may be willing to create a customer survey to gain more meaningful customer insights.

## How to Create Choices (Without Breaking the Bank)

Once you have a better understanding of customer preference, you can address the supply chain strategy. If your research uncovered that you need six different delivery and fulfillment options to achieve the best possible customer experience, how do you go about building that network? More important to your bottom line, how do you build that strategy while striking the right balance among service, cost and choice?

According John Richardson, Vice President, Supply Chain Analytics at Transportation Insight, the only way a company can begin to achieve equilibrium among service, cost and choice is by having access to robust data and analytical tools.

“Organizations focused on enhancing their customers' experience need a holistic network view of their entire supply chain spend,” Richardson says. “Providing the most rapid, cost-effective shipping strategies that empower choice-conscious clients requires a platform to bridge the gap between disparate information sources.”

In short, you need tools and technology that gather meaningful data across your entire supply chain network to produce real business intelligence. When you have that, you can make evidence-based decisions that enhance the customer experience.

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Vice President, Supply  
Chain Analytics

Along with strong data analysis and business intelligence, manufacturers, distributors and retailers might consider an out-of-the-box tactic in balancing cost, speed and customer choice - incentivizing customers for slower shipping.

“While seemingly out of scope for the operations side of the business, companies should also consider pricing incentives to influence consumer behavior. This not only helps discourage inefficient practices, but it also increases top-line revenue,” says Richardson.

### **A More Personalized Supply Chain = Greater Brand Loyalty**

By allowing customers more control over their delivery experience, brands can create greater loyalty and improve customer retention. However, shippers must balance customer choice with cost and service. This balance can be achieved through careful consideration of customer desires, holistic data analysis across your organization’s entire supply chain ecosystem and the ability to execute on actionable insights.

## NEXT STEPS: LET’S TALK

Coupled with our deep industry expertise Transportation Insight’s enhanced business intelligence tool, Insight Fusion, can assimilate data from multiple sources and formats to deliver what you need, when and how you need it to improve decisions that enhance the overall customer experience.

To learn more, you can request an appointment [here](#) or contact us at [info@transportationinsight.com](mailto:info@transportationinsight.com) or 877-226-9950.

You can also stay on top of trends at [www.transportationinsight.com](http://www.transportationinsight.com).



 877.226.9950

 [www.transportationinsight.com](http://www.transportationinsight.com)

 [info@transportationinsight.com](mailto:info@transportationinsight.com)

 310 Main Avenue Way SE  
Hickory, North Carolina 28602



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