

WOO THEM WIN THEM WOW THEM

YOUR 3-STAGE GUIDE
TO BUILDING AN
OMNI-CHANNEL
STRATEGY THAT WORKS

 **Purolator**
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I. HOW CANADA'S CHANGING RETAIL LANDSCAPE AFFECTS YOUR BUSINESS

It's no secret that e-commerce is having a transformative impact on Canada's retail industry. But beyond the rise in online sales has come a strong affinity for the flexibility and convenience of omni-channel purchasing. Whether making purchases online, in a store or via a mobile device, customers now expect a greater say in how purchases are made, when and where shipments are delivered, what "good customer service" means and what return policies should look like.

The following discussion will shed light on today's buying preferences and help retailers understand the urgent need to provide a quality shopping experience that keeps customers coming back.



II. WHAT CUSTOMERS WANT

In an interview, Retail Council of Canada President and CEO Diane Brisebois spoke about high consumer expectations:

“Canadians want a seamless experience regardless of where they shop – be it in a store or online. They expect good assortments, competitive pricing and dependable service. They will shop domestically and globally to get the product they want.”

... **Diane Brisebois**
CEO and President,
Retail Council of Canada

Top 5 reasons Canadians shop at their favourite retailer



In other words, it's a buyer's world. And there's a lot at stake, both in understanding customers' expectations and in making the required adjustments to meet them. This requires a deep analysis of every step of the buying experience:

1	The acquisition process
2	The fulfilment phase
3	The post-purchase experience

WOO THEM: THE ACQUISITION PROCESS

In its Total Retail Canada 2016 consumer survey, PricewaterhouseCoopers (PwC) found four key components to ensuring satisfaction:

1. Engage: interact and influence customers on their terms

The research cited two specific ways in which retailers can establish meaningful connections with their customers:

► Social Media

40 %



of Canadian consumers say that “reading product reviews, peer reviews and feedback on social media has an influence on their shopping behaviour.” This number jumps to nearly 55 per cent for shoppers between the ages of 18 and 24 years.

► Loyalty / Reward Programs

Consumers want retailers to create “communities” around the products they sell that support customers’ preferred lifestyles and experiences. Customer loyalty and rewards programs are an important part of this, with 95 per cent of Canadian consumers enrolled as members in some.

2. Create curated solutions based on personal preferences and information

Canadian consumers expect personalized product recommendations and offers that are based on their past purchases but that also deliver value, since price is a critical consideration.

“In omni-channel retail, this means taking the information learned from customers during the engage phase of the customer shopping journey and translating it into product offers, incentives and specialized or targeted experiences that highlight their understanding of individual consumers.”

... **Anonymous**
Analyst,
PriceWaterhouseCooper

3. Build channels aligned to the customer shopping journey

Canadian consumers already expect consistent experiences, regardless of platform – from pricing and inventory to shipping and customer service. The problem, though, as the PwC research points out, is consumers are “far ahead” of retailers. “Clearly, retailers can no longer separate their customers by channel or think about what products, services and deals they offer through each channel separately. Understanding the unique shopping patterns of customers across all channels and guiding their understanding into complete omni-channel experiences is critical for retailers.”

4. Provide a customer-centric experience

The PwC research found Canadians care deeply about relatively simple things, including:

37 % 
Having the ability to check stock at other stores online

81 % 
Having a paid return label provided with a shipment

However, the research found many Canadian retailers are unable to meet even these basic requests, let alone expectations for expanded smartphone/mobile device capabilities (e.g., accessing coupons and payment options). Most retailers understand they will have to commit to building the omni-channel experience their customers expect to stay competitive in today's global marketplace.

Indeed, smart retailers understand that embracing customer expectations can help distinguish them from competitors and solidify their position among consumers as a preferred retailer.

WIN THEM: THE FULFILMENT PHASE

It turns out that Canadian customers are pretty passionate about when their deliveries should arrive – quickly! According to Canada Post, 51% of Canadian online consumers would shop more frequently if shipping were faster. Further, the research found that 23% of shoppers who abandoned a cart in the last year did so because of delivery timing issues.

Additional insight warns that expectations will only heighten across Canada thanks to Amazon Prime's guarantee of two-day shipping.

"Data indicates that Amazon's awesome investment in delivery infrastructure and Prime program will fundamentally shape Canadian consumer expectations regarding fulfillment." -- L2 Marketing Research Consultants.

And not surprisingly, Canadians have a very firm opinion about how much shipping should cost – nothing. PriceWaterhouse Coopers found 71% of consumers expect free shipping, while Canada Post found a 50% drop in conversion rates when free shipping isn't offered.

As a result, smaller businesses must find a way to meet customer expectations for free shipping. In most instances, costs are passed along to consumers, either through increased prices or minimum purchase requirements. But for some businesses, raising prices is not an option since price-conscious consumers will simply seek out a lower-cost competitor.

51 % of Canadian online consumers would shop more frequently if shipping were faster.

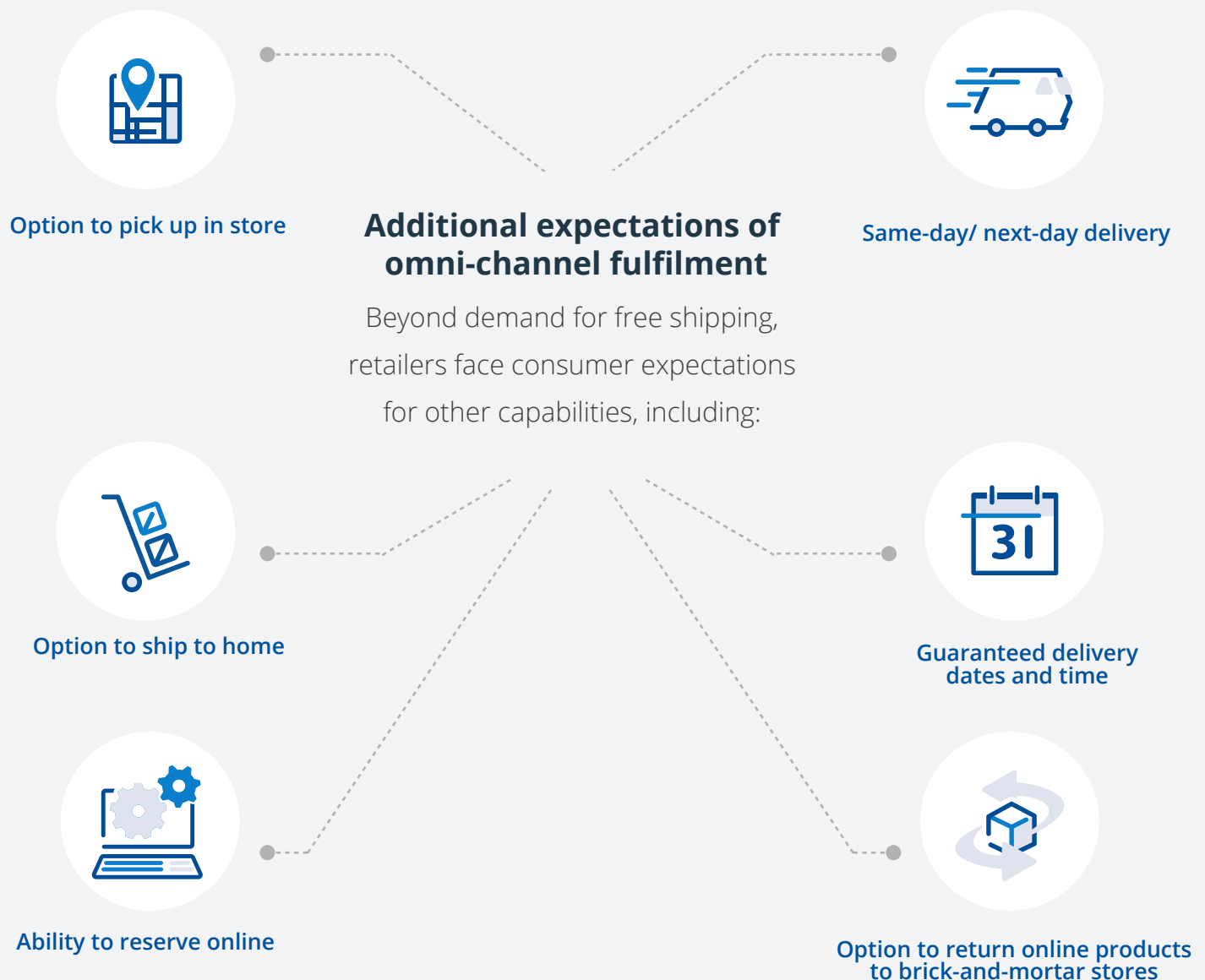


The critical importance of last-mile service.

It's at this stage that a package either arrives on time or doesn't – when retailers have a single shot at living up to the promises made to consumers.

But, like everything else, consumer expectations for last-mile service have evolved. On-time delivery is still the most important factor, but expectations have grown for additional services, including multiple delivery attempts, weather protection, white glove service and much more.

In adapting to this “new normal,” retailers will be relieved to find that many of Canada's supply chain providers have made tremendous strides in innovation, efficiency and customization. As we will see, transportation solutions that would have been unthinkable just a few years ago are possible today.



WOW THEM: THE POST-PURCHASE EXPERIENCE

There are many proven ways to delight your customers and build better relationships after the sale is complete.

Post-purchase engagement opportunities

Smart retailers use this period both to solicit important feedback and to build loyalty by keeping the consumer engaged. Opportunities for engagement include:



Thank-you email



Short survey asking for feedback



Invitation to automatically reorder products



Email suggesting additional products based on order history



Birthday card



Invitation to “preferred customer” events and targeted coupons



Loyalty/rewards program

Hassle-free returns policy

Returns have become so important that, according to a survey of online consumers by Metapack, 49 percent said a retailer’s returns policy has deterred them from making a purchase, and 39 percent said they always look at a returns policy before completing a purchase.

III. FIVE ESSENTIALS TO MEETING CUSTOMER EXPECTATIONS

The following are five “rules of the road” that will help direct you in finding the right balance between maintaining profitability and meeting customer expectations:

1. Develop a strategy

The first step is to build a plan that outlines what you hope to accomplish and the tools needed to get there. In building that plan, keep in mind:

Customer expectations

Tap into customer preferences and determine which omni-channel capabilities are most important to your customers.

Competitor capabilities

A competitive analysis inclusive of pricing, shipping policies, product offering, returns and more can help a retailer identify uniform expectations and opportunities to differentiate itself.

Current resources

Next, take stock of your current processes and capabilities. You may already have a strong framework that can serve as the basis for an omni-channel supply chain.

2. Focus on customer service

Accenture consultants found that 80 per cent of Canadians who left a certain retailer did so because of poor customer service, and 68 per cent will not return once they make the decision to leave. Critical service requirements include:



Consistent inventory selection, pricing and ease of transaction across channels



Responsive people who are familiar with products and empowered to solve problems whether in-person, by phone or through online channels



Hassle-free returns



24 / 7 tracking



A way for customers to provide feedback or suggestions



3. Choose the right supply chain partner

An experienced partner will have the resources and insight necessary to develop highly innovative, technology-based solutions necessary to meet customer expectations. Here are a few considerations:

Flexibility. Can the provider offer the services that fit my specific needs?

Service throughout Canada. Can I rely on complete coverage, even in remote locations?

Scope of service. Can the provider satisfy all my transportation needs, or will parts of my business be off-loaded to other suppliers?

Innovation. Are transportation solutions technology-based to ensure efficiency and effectiveness?

Visibility. Can the provider ensure 360-degree visibility, including transportation, warehouse, inventory and back office?

Customer service. Does the provider place a high value on customer satisfaction?

4. Use a courier service for small package deliveries

Retailers used to shipping primarily to stores suddenly find themselves awash in a sea of small packages, most headed to consumers' homes or workplaces.

Core capabilities of a courier service include:

Time-definite, guaranteed delivery. Courier shipments arrive quickly, often overnight.

Flexibility. A courier should offer many different services to suit your budget and need for speed.

Accountability. You and your customers should enjoy end-to-end real-time tracking and visibility.

Security. Courier shipments incur minimal touches, reducing the risk of damage or theft.

Last mile. Courier providers have familiarity with the areas they service, and last-mile services can be tailored by you and/or your customers.

Value-added services. Every shipment is different, and in many instances, customization is required, such as white glove service, Saturday or before/after hours service, returns and much more.

5. Use a freight solution to move large quantities.

Freight/LTL services.

LTL shipments generally consist of shipments from multiple sources that travel via a single truck. Smaller shipments are often consolidated into one large unit, which can help reduce costs. LTL service can also be highly flexible since drivers generally make multiple stops to pick up packages or make deliveries. An experienced provider will offer a range of capabilities including:



Customized solutions



Various delivery options



Flexibility/scalability



On-time service



Shipment integrity



Enhanced security

Similar to courier shipments, LTL shipments may be paired with various special services to facilitate a safe and on-time delivery. It is advantageous to work with a partner that can offer both courier and freight services to maximize volume discounts and minimize administration.

IV. CONCLUSION

Research by PricewaterhouseCoopers summed up Canadian consumer attitude about the current retail environment: “Today’s consumers don’t get excited about multichannel retail: they expect it.”

For Canada’s retailers, this presents both daunting and exciting opportunities. Daunting in that adapting to these new expectations is forcing many retailers out of their comfort zones. But, as many retailers have already learned, help is available in making these adjustments – namely, through trusted supply chain partners.

Today’s environment also presents an exciting opportunity to engage with customers as never before. A retailer can know what its customers want and how it is doing at delivering. Retailers may not always like what they hear, but that too presents an opportunity.



ABOUT PUROLATOR

Purolator Inc. is a leading integrated freight, package and logistics solutions provider in Canada. Celebrating over 50 years of delivering its customers' promises, Purolator continues to expand its reach and renowned service levels and reliability to more people, more businesses and more places across the country and around the world. Purolator is proud of its Canadian heritage and is focused on sustainably positioning itself for future growth and success. Purolator is also committed to contributing to the well-being of the communities it serves and where more than 11,000 of its employees live, work and play. For more information, visit purolator.com.

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