



# On the Fast Track

## How the Right Provider Can Help You Succeed With Same-Day Delivery.

### Overview

Industry players like Amazon have broken new ground in the e-commerce landscape by offering same-day delivery. The bar has been raised for retailers, coinciding with rising customer expectations. While the benefits of same-day delivery are obvious for consumers, the good news is that retailers also stand to profit by adding this service to their business model.

Keep reading to learn how same-day delivery is changing the online retail landscape, the challenges of meeting customer expectations and how the right provider can help you meet them.



# Introduction

## Same-day delivery is setting the bar higher

Depending on how old you are, you may remember how catalogue shopping disrupted the bricks and mortar world by allowing consumers to order and receive products without having to leave the house. Of course, you also had to wait several weeks until your order arrived... how times have changed.

Today, consumers can order pretty much anything online – only now, instead of waiting for a week or more, orders can be delivered to their doorstep within a matter of hours. Welcome to the era of same-day delivery.

### How Amazon shifted delivery expectations

There's no way to talk about same-day delivery without addressing the elephant in the room: Amazon.

In 2018, a whopping 79% of worldwide shoppers said that they had purchased goods from Amazon within a six month period.<sup>1</sup> And Amazon's same-day delivery options have impressed consumers to the point where speed is a priority when making purchasing decisions – in fact, 65% of Canada's early digital adopters (mainly consumers between the ages of 25-34) expect same-day delivery.<sup>2</sup>

As a result, other companies and industries are following Amazon's lead by adding same-day delivery to their business models. In the US, department stores like Nordstrom, Macy's and Bloomingdales all offer same-day delivery for those customers who don't want to wait to receive their order.

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### The future of same-day delivery – what to expect

If you thought that same-day delivery was just a trend, think again. Same-day delivery is expected to reach 15% of the market by 2020, and it's also worth noting that this number is expected to grow if it starts to reach rural areas.<sup>3</sup> It's also expected that automated delivery trucks and drones will increase the ability of companies to provide same-day delivery services to customers in more rural or remote areas.

It's clear then that the expectation has been set, and that the need and want is there – now it's up to retailers to show customers how they can deliver.





# Benefits

# “What’s in it for us?”

## The benefits of same-day delivery for retailers

If you’ve been wondering whether or not your retail operation should offer same-day delivery, consider these benefits:

- ✓ Quicker repeat purchases
- ✓ Reduced buyer’s remorse
- ✓ Added package security
- ✓ Staying ahead of the competition
- ✓ An opportunity to charge a premium for exclusive services

### Faster repeat purchases

Being able to deliver on the same day helps increase the likelihood that your customers will make another, quicker purchase thanks to the immediate satisfaction they feel when their goods arrive.

According to a 2018 survey, 17% of US respondents stated that the desire for instant gratification means that they’ve used one-hour delivery options to get their purchases faster.<sup>1</sup> Same-day delivery also helps combat buyer’s remorse in that customers are less likely to return their purchase if they receive it exactly when they want it – which is now.

### Added security for packages

On a traditional delivery route, a package goes through a number of stations as it travels from retailer to customer. While this is standard practice, it’s not as efficient as it could be. A same-day delivery service reduces the amount of times it has to change hands, providing a clear route that takes your merchandise directly from a store or warehouse to the customer.

### Get a competitive edge

Although it’s very popular with Amazon, same-day delivery is still relatively new for retailers. Adding a same-day delivery program will keep your company ahead of the curve, leading the charge for e-commerce innovation and customer satisfaction.

### Charge a premium and increase your customer base

Amazon is leading the market here again with their Amazon Prime service that allows customers to pay an annual fee in exchange for elite services including same-day shipping. But even though they set the standard, it’s clear that customers are also willing to pay a premium for same-day delivery regardless of the company.

# 69%

of Canadian shoppers said they would happily pay to expedite faster delivery or a more convenient delivery option<sup>1</sup>

- One hour
- Same day
- Next day
- Saturday or Sunday





# Challenges

# The 4 biggest challenges in preparing your business for same-day delivery

As popular as same-day delivery is, there are still some concerns businesses have when addressing the logistics of implementing it to ensure it's a feasibly sound initiative.

Here are some of the common barriers to consideration retailers have when looking at same-day delivery:



## 1. Geographic limitations

It's easy to deliver packages within hours in high-density cities, but reaching rural or remote areas the same day can be a challenge.



## 2. Real-time tracking

A new tracking system or app may be needed to keep customers in the loop on the whereabouts of their goods.



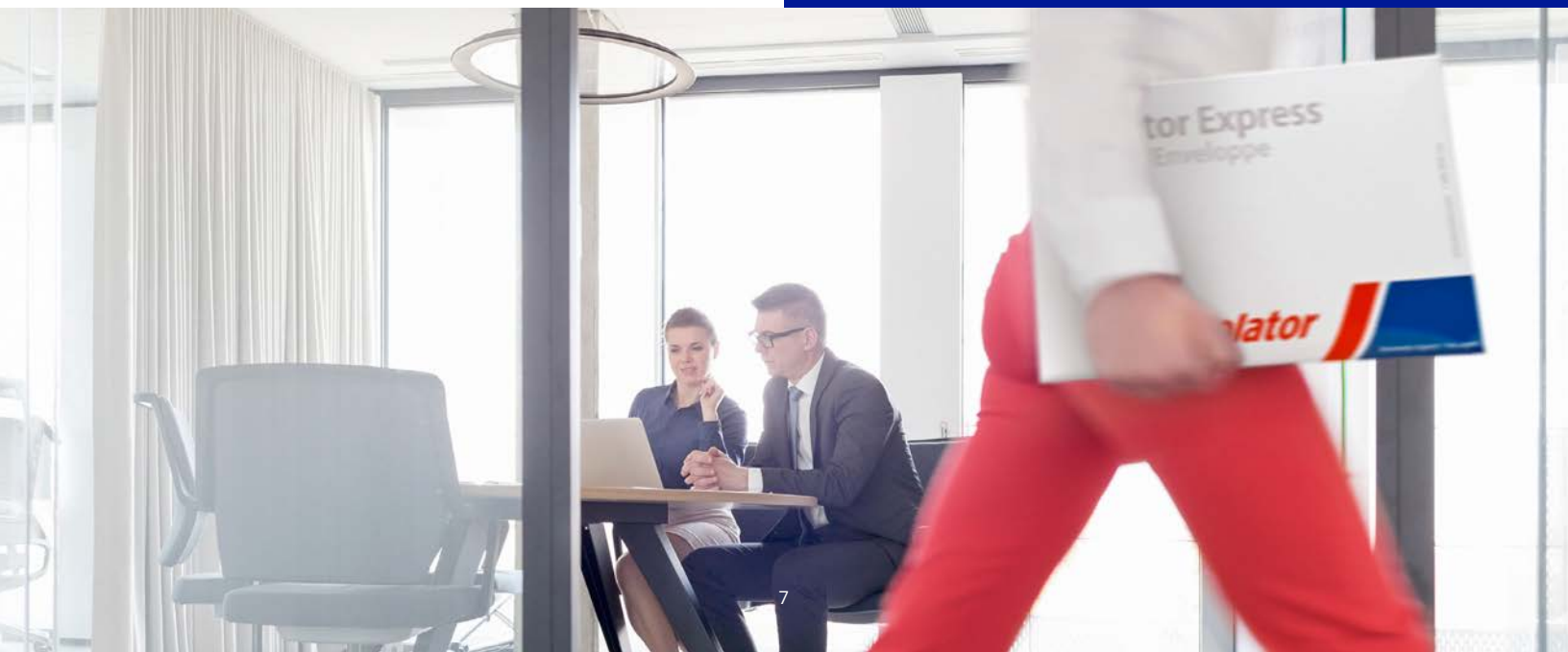
## 3. Rigorous customer service

With face-to-face hand-off, delivery drivers become the face of your brand – are they up to the task?



## 4. An effective supply chain

Multiple distribution channels and streamlined processes are needed to execute same day delivery effectively and efficiently.



# Tackling same-day delivery challenges head-on

When deciding on a delivery service provider, it's important to ensure they have the capability to address these challenges successfully.

## Challenge 1

### Geographical reach

While same-day delivery is relatively easy to achieve in major cities, it can be difficult to reach customers in more rural areas within a short time frame. When choosing a provider for same-day delivery, it's important to ensure they have a nation-wide program to reach all of your customers – not just city residents.

## Challenge 2

### Real-time tracking

Having a clear sense of when they're going to get what they ordered has become hugely important for Canadian shoppers.

Developing an entirely new tracking application isn't always a viable option. The delivery service provider you choose should also be able to provide supplementary tracking that integrates into your existing systems.

# 43%

of Canadians said they would avoid a retailer if they didn't provide information on when their product would be delivered<sup>4</sup>

# 52%

of Canadian shoppers expect an email notification so they can track a delivery<sup>1</sup>

# 32%

said they would prefer receiving SMS and text notifications<sup>1</sup>

## Partnering with Purolator

The B.C.-based bookseller, Russell Books, noticed that their team was spending an excessive amount of time addressing customer tracking enquiries – to the point where they were losing almost \$4,000 per year in productivity. Our Purolator E-Ship® Server allowed them to create orders that customers could track, resulting in a 5-10% increase in sales and glowing online reviews from customers.





### Challenge 3

#### Quality customer service

There's no leaving the package on the doorstep when people are paying for a premium service. Same-day delivery requires rigorous customer service and top-quality communication skills for face-to-face hand-offs as delivery drivers become the face of your business.

#### Partnering with Purolator

Modern Beauty Supplies noticed declining customer service levels with a carrier service they were using that was starting to affect their business reputation. We provided warehouse scanners to reduce human error on orders and dedicated Purolator Representatives to provide customer service and sales insights to assist the Modern Beauty sales team.

### Challenge 4

#### Executing a successful supply chain

In-store retail employees don't always have the time or ability to pick out and package items that need to be shipped before the end of the day. But even with existing warehouses, retailers may find that they need a separate fleet for same-day delivery because those orders often come through when drivers have already left the depot.

The reason Amazon has been the trailblazer for this service is because they have warehouses and couriers dedicated to just same-day deliveries. It's not realistic to expect every retailer to build a separate warehouse to compete, but using a third-party delivery provider can provide the space you need to execute same-day delivery effectively.

#### Partnering with Purolator

Freemark Apparel Brands (FAB) found that they needed multiple distribution channels to meet their growing capacity needs. We provided Purolator warehouse and distribution services to ensure that their retail locations across Canada received products on time. In the end, FAB saw a \$300,000-year sales boost and a \$250,000 profit increase.



#### How to ensure a better same-day delivery experience for your customers

- ✓ Know your limits (geographically)
- ✓ Provide real-time visibility into shipments
- ✓ Truly prioritize customer service
- ✓ Create the optimal supply chain
- ✓ Choose a reliable and reputable delivery partner



Purolator Solutions

# Purolator. We are where your customers are.

Servicing 99.9% of Canadian Postal Codes<sup>5</sup>, we use up to 99% of our own assets to get your business across Canada<sup>6</sup>. With our flexible and customized solutions, we reduce unnecessary hand-offs and streamline the last mile. Beyond our freight or courier services, our experts can assist with enhancing internal processes, optimizing supply chains and providing innovative tech solutions. Rest assured, with over 55 years of providing a customer-centric experience, we'll help keep people coming back to your business.

As a nation-wide delivery service operator, Purolator offers a number of options to ensure same-day deliveries reach customers exactly when they expect them to.

## We offer these same-day delivery options 24 hours a day, every day:



### Purolator QuickShip™

Next-day delivery, 7 days a week. Our most flexible service completely tailored to your business needs.



### Purolator Same Day® In-City

Offers a range of same-day delivery options within cities for pickup and delivery within 30 minutes up to 4 hours.



### Purolator Same Day® Next Flight Out

Uses air service to get your package from city to city as fast as possible.



### Purolator Same Day® Direct

Packages are driven directly from your location to anywhere in Canada as soon as possible.



### Purolator Same Day® Scheduled

Program same-day delivery services on a regular daily, weekly or monthly schedule.



## We also have automated shipping solutions to help leverage existing technology to meet same-day demands:



### Purolator E-Ship® Online:

Create, track and send a shipment through our network.



### Purolator E-Ship® Server

Provides essential hardware and software that integrates with your existing systems for seamless operation.



### Purolator E-Ship® Web Services

These web components integrate shipping and tracking services to your online store, website, order management systems or other custom software applications.



### Purolator E-Ship® Server API

Provides your customers with automatic and accurate shipping estimates.



### Purolator Mobile App

Gives you better visibility and control over shipments so you can view their status in real-time.

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## And we have warehouse service options to help you execute an effective supply chain for same day deliveries:



### Multi-client warehousing:

Full-service warehousing and fulfillment services to cut delivery times and store products closer to consumers.



### Inventory management

An effective warehouse system that acts as a centre for supply chains.

### Our commitment to providing quality customer service.

Our White Glove Service provides safe and secure transportation and inspection for your packages.

# Resources

1. "2018 State of eCommerce Delivery." Metapack. July 2018.
2. "Retail Evolution: Combining Tech and Human Interaction to Redefine the Customer Experience" PwC Canadian Consumer Insights
3. "Parcel delivery. The future of last mile." McKinsey & Company. September 2016.
4. Canada Post 2019 eCommerce Benchmark Report, Canada Post
5. Unicode Directory. Purolator Inc. July 2016.
6. "Major Canadian Courier Company Organizational and Service Comparison Report." Breininger & Associates Inc. April 2011.



## Let's get started!

Learn more about Purolator's same-day delivery service options and how we can help you expand your retail delivery services.

Contact Us

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

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