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The Role of Shipping in the Online Retail Customer Experience

Event Date: 05/31/2007 02:00 PM Eastern Daylight Time

If you have previously registered for this event, please login below:

Email

LOGIN

Registration is required to attend this event. Please register now.

First Name*			
Last Name*			
Email*			
Company*			
Title*			
Street Address Line 1*			
Street Address Line 2			
City*			
State*			
Zip*			
Country*	United States		
Work Phone*			
What share of your retail revenue is	generated from your online w	ebsite? *	Please select one 💌

Who is your primary shipping carrier for residential shipments from your website?* $\label{eq:primary}$

Who is your primary shipping carrier for returns from purchases made from your website?*

You must have javascript and cookies enabled to complete registration. Click here for Help.

The Role of Shipping in the Online Retail Customer Experience

May 31, 2007





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Online Retail – A Growing Market

- Online will influence 50% of all retail purchases by 2011*
- E-commerce expected to represent 20 percent of all U.S. package shipping by 2009
- Online retailers shipping spend is \$5 billion to \$7 billion



Online Retail Customer Experience

Enhance your purchase experience using FedEx Services					
Before purchase	Shipping	After purchase	Returns		
 Customer segmentation Decrease cart abandonment Delivery time Calculate shipping cost 	 Shipping cost strategy Pricing models Shipping promotions Transportation options 	 Order visibility Signature upon delivery 	 E-mail label Preprinted label Courier or driver delivered label Retail return network Web site integration 		



Customer Segmentation

After purchase **Before purchase** Shipping Returns •Customer segments aligned with shipping and delivery solutions Segmen Air •Buzz = Young, early adopter of electronics uses FedEx Express® •Jill = Busy, upper income married Ground mom uses FedEx Appointment Customer Home Delivery[®] LTL •Ray = Middle income who can wait for the best deal uses FedEx Truckload SmartPost[®]

Parcel

Service Descriptions



Customer Segmentation



- New customers Attract with "free shipping" promotions
- Loyal customers Reward with discounted or upgraded shipping on large or frequent orders



Decrease Cart Abandonment

Before purchase	Shipping	After purchase	Returns	
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- Shipping and handling calculations is one of the three most important features on a shopping site
- Incorporate early into the shopping process
- Delivery times
 - Service maps
 - Time in transit calculators
- Shipping cost calculators



Shipping Positioning

Before purchase	Shipping	After purchase	Returns
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• Fast, reliable shipping is important to online customers

• Shipping cost strategy

- Pass on shipping costs directly to customers
- Shipping as profit center (increase as % or \$ amount)

• Pricing models

- Fixed amount
 - By shipping service
 - By product category
- Variable for each product/shipping ZIP (real-time cost calculators)
- Cost set by number items or range of dollars spent
- Membership programs

Shipping promotions

- Example free shipping (marketing cost)
- Promote with our without restrictions (minimum order)



FedEx[®] Shipping Services

Ве	Before purchase Shipping		After purchase Returns				
	Need			Solution			
	Free or low-cost "standard shipping" to your customer's residence			FedEx SmartPost [®]			
	ntial delivery wit ecial delivery opt	5			FedEx Home Delivery®		
	For heavier items, or deliveries to your customer's work address			FedEx Ground®			
or valu	For last minute-shopping, emergencies, fragile or valuable items, or your most loyal customers			e FedEx Express®			
Return	Returns that are as hassle-free as possible			FedEx [®] Returns			
Just about anything else				FedEx Freight [®] , FedEx National LTL [™] , FedEx Custom Critical [®] , FedEx Trade Networks [®] , FedEx Supply Chain Services [®]			



Order Visibility

Before purchase	Shipping	After purchase	Returns	
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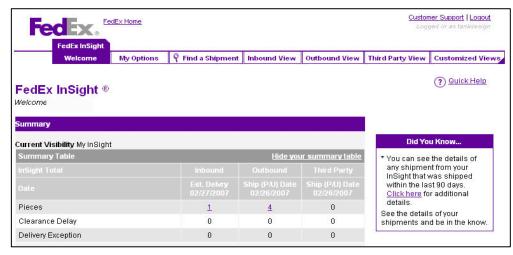
- Customer knowledge about shipment very important
- Customer service calls reduced for online retailer
- Best practice shipment tracking incorporated into Web site



Retailer Visibility - FedEx InSight®

Before purchase	Shipping	After purchase	Returns
Online husiness	tool for trooki	ng and managing (alliphound

- Online business tool for tracking and managing all inbound, outbound and third-party shipments without a tracking number
- Track all FedEx Express[®], FedEx Ground[®] and FedEx Freight[®] shipments – U.S. and international
- Receive shipment notifications about clearance delays, attempted deliveries, proofs of delivery, and more - via e-mail, Internet or wireless





Find it under the Track tab at fedex.com or by going to fedex.com/insight

Consumer Visibility – FedEx ShipAlert®

Before purchase Shipping	After purchase	Returns	
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- Available through FedEx Ship Manager[®] at fedex.com and FedEx Ship Manager[®] Software
- E-mail with relevant shipping information can be sent automatically to yourself, your recipient and two others announcing that a FedEx[®] package is on the way and/or has been delivered
- Automatically send recipients an exception notification if delivery is delayed due to weather or other situations

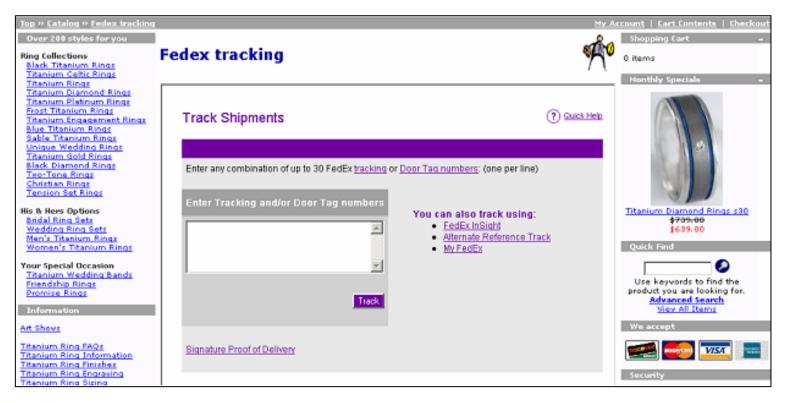
Ship _{F2}	Track _{FS}	Shipping list	Address B	ook f	Report	Close	F7 fede	x.com	
Shipment	details <u>O</u> pti	ons ShipAlert Re	turn shipment	Docume	ent Comr	nodity/Me	rchandise C	ustoms	
FedEx	ShipAlert Email a			Notifi	ation lang	juage	Shipment notification	Exception notification	Delivery notification
Ser	nder: csmith	@acme.com		English		•	•	V	V
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Consumer Visibility – fedex.com Tracking

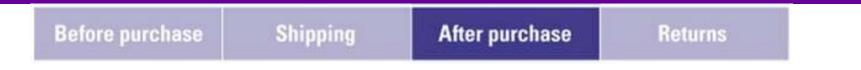
Before purchase Shipping After purchase Returns

- Available at fedex.com or incorporated into your Web site as a plug-in





Signature Upon Delivery



- Online retailers and customers need assurance package was delivered, especially when the recipient is not at home
- Online retailers can choose from three FedEx[®] Delivery Signature Options available with FedEx Express[®] and FedEx Ground[®] services:
 - Indirect Signature Required
 - Direct Signature Required
 - Adult Signature Required
- Proof of delivery through fedex.com shows an image of the recipient's signature as an online letter or fax





Before purchase	Shipping	After purchase	Returns
Before purchase	Shinning	After nurchase	Poturne

Strengthen customer relationships and gain competitive edge

- Managing the returns process in a timely, customer-oriented fashion can be a highly strategic way to increase company credibility, customer retention and sales
- Recent Texas A&M University research states that one of the most important factors that consumers choose to shop online is the ease of returns

• Reduce costs and maximize return on assets

 A system that quickly and efficiently cycles returned products back into inventory means faster redeployment into the market generating revenue and reducing the effects of product depreciation

Get increased visibility and reporting

 Greater visibility into and reporting of your return shipments can help you pinpoint problems and reduce future returns



FedEx[®] Returns Portfolio

Before purchase	Shipping	After purchase	Returns
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- FedEx has a comprehensive portfolio of shipping and information-management solutions that can:
 - Simplify and improve control of the return process
 - Provide exceptional customer service
 - Reduce cycle times
 - Lower operating costs

E-Mail Label

Preprinted Label



Rapid, inexpensive label delivery; requires e-mail access





Inexpensive label delivery; good choice for return shippers who do not have e-mail access

Courier- or Driver-Delivered Label



Premium service in which the FedEx driver or courier is dispatched with label for pickup

FedEx Return System



A retail drop-off solution requiring nothing more than a return authorization number

Returns – Web Site Integration Example





FedEx Retail & e-Commerce Practice

Customer Consultations

- •Personal consultations
- •Sharing best practices
- Industry benchmarking
- •Retail framing sessions



Customer Tools

Case Studies



Customer Programs



FedEx

Web site



RETAIL.FEDEX.COM

Retail Industry

Published Articles



Advertising



Research

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