

The final mile

How to develop a successful B2C in-home delivery service solution

In 2008, an estimated 192 million U.S. Internet users visited an average of 11.3 retail sites per month to make their online purchases. As online retail revenue continues to increase, its impact on the ways in which individuals shop has undoubtedly transformed many of the ways in which logistics providers distribute their goods and services.

“Business-to-consumer needs have become a growth engine for the transportation and logistics industry in recent years,” says Ray Fennelly, director of business development for AIT Worldwide Logistics. “This shift in buying patterns and business activities has presented tremendous opportunities for logistics providers, who have been challenged to develop a more robust and highly sophisticated B2C residential delivery service for their customers.”

Smart Business sat down with Fennelly to discuss how logistics providers have adapted to the in-home delivery expectations of convenience, speed and choice among their customers.

Explain how and why logistics providers have been trending toward developing in-home delivery services for their customers.

The proliferation of online technology to facilitate e-commerce, online shopping and the B2C sector has put the spotlight on in-home delivery services for logistics providers, who are trusted by retailers, vendors and consumers to coordinate and handle the ‘final mile’ of purchases from brand owners to consumers.

With the continuing need to drive down costs and deliver directly and efficiently to the consumer’s residence, the logistics market has been increasingly shifting away from B2B business models and moving toward B2C. Today, online distributors and Main Street retailers share the same concern in finding the most prompt, reliable way to market and deliver goods such as TVs, fitness equipment and furniture direct to the consumer’s door.

Consumers’ spending behaviors and buying patterns have drastically changed as a result of their growing confidence in the Internet. Before the dot-com boom approximately 10 years ago, moving large consolidated shipments from manufacturer to distributor to retailer



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was the industry norm. Now, logistics providers are commonly delivering merchandise directly to consumers in the comfort and privacy of their own homes.

What are the risks or challenges presented with in-home delivery services?

Several indirect and direct complexities are involved with a home-delivery service solution. For starters, technology’s role in streamlining delivery details and enhancing every aspect of communication is crucial — today’s Web-savvy customers expect to schedule online delivery appointments and receive automated e-mail responses and real-time status updates.

Delivering to private individuals instead of companies requires tremendous flexibility on the part of logistics providers. Getting access to delivery at a time that’s convenient for the homeowner often means you must be available to both coordinate and conduct their deliveries during weekday evenings or on weekends. It also means that you must be proactive in rescheduling appointments in the event that no one is home to accept the delivery or correcting a data

entry error that has led you to the wrong address.

Regardless of consumers’ various service specifications, protecting both the home and the goods you are delivering is critical to ensuring customer satisfaction. Damage to walls, paint and carpeting are equally as detrimental as any potential damages done to the customer’s LCD television or treadmill while in transit. You also have to be mindful of regulatory concerns. For instance, individuals under the age of 18 cannot sign for the goods.

Essentially, the real challenge lies in ensuring that you provide the consumer a professional and quality experience from point of purchase to final delivery.

Describe specific service demands of in-home delivery customers.

The logistical requirements of supply chains extending to each customer’s address tend to be highly detailed and involved, as they include features and value-added benefits such as ‘white glove’ services, room-specific deliveries, professional installation, packing and unpacking, and debris removal.

While those services begin for logistics providers at the point of dispatch, the customer’s main concern is rarely about the lifecycle of his or her shipment. Instead, customers need to know whether or not you can be held accountable for meeting the delivery promise you’ve made to them. Empathize with the fact that their time is valuable — they have likely rearranged their schedules in order to be home when their goods are scheduled to arrive.

Similarly, ensure that your work force is courteous, respectful, knowledgeable and polite upon entering each customer’s private home, and represents your company in a professional manner upon delivery. Remember that, in order to successfully develop a comprehensive expedited in-home delivery product, you must first acknowledge the fact that customer satisfaction goes far beyond the actual service and delivery requirements. <<

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