



The Retailer's Guide to Last Mile Logistics

Who should read this guide?

Any retailer who struggles with perfecting their last mile delivery operations. Anyone who feels like they're not getting as much out of their delivery capacity as they should. Anyone whose technology stack makes it hard to delight customers with efficient deliveries.

Why is this guide worth your time?

Because DispatchTrack has been helping large enterprises in the retail industry throughout its 10+ years in business. In that time, we've learned firsthand how to tackle the unique challenges that come with this particular industry.

What will you learn?

- ◆ How to reduce false liability claims and their associated costs
- ◆ Strategies for decreasing not-at-homes, "where's my order" calls, and damage to deliveries
- ◆ How the right last mile delivery tools can help you earn repeat business from your customers

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Introduction: There's Never Been a Better Time to Elevate Your Deliveries

Between the lingering effects of the covid crisis, the ongoing e-commerce boom, and the rise of the Amazon effect, resilience has never been more important to retail supply chains than it is right now. As McKinsey notes in a recent article: "Near-term issues of cash management for liquidity and solvency are clearly paramount. But soon afterward, businesses will need to act on broader resilience plans as the shock begins to upturn established industry structures, resetting competitive positions forever."

This might seem like a daunting position to be in—but it's also exciting. Retailers find themselves in a unique position to gain a competitive edge by making their last mile operations more reliable and delighting their customers with elevated delivery experiences. Simply put, if you can bolster your brand among customers by making sure that the post-sale experience is just as enticing as the products themselves, you can win repeat business and lay a foundation for growth.



Anyone who's been around in retail knows that this is easier said than done: it's hard to get ahold of customers to schedule deliveries, and once the truck leaves the distribution center the whole operation can turn into a black box. Even if you have a complex, enterprise-scale IT ecosystem for logistics, you might find that data and planning silos are cropping up around delivery. That's why retailers across the board need the right tools and tactics to power more integrated processes that actually delight customers and help you grow your business.

In this white paper, we'll go over exactly what that looks like—starting with the top challenges that retailers face in last mile delivery, then covering best practices and technology requirements for meeting those challenges head on. Hopefully, this can act as a valuable resource as you seek to elevate your delivery processes.

The Top 5 Challenges in Modern Retail Delivery

1. Recognizing Revenue in a Timely Way

One of the reasons that so much pressure is put on last mile delivery in retail is that effective fulfillment, customer acquisition, and running a fleet of trucks are all incredibly expensive. To recognize revenue, you need to successfully deliver to the customer and prove that the delivery was successful. That means that slow or inefficient deliveries—to say nothing of deliveries that have been poorly documented—have a direct impact on your cash flow. In this sense, business success really does rest on delivery performance. Likewise, it also rests on your ability to document your deliveries with ease.

1. b. Managing False Liability Claims

If you can document your deliveries effectively (say, via pictures and videos collected alongside customer signatures for completed deliveries) and centralize that data in such a way as to ensure easy access for customer service and other teams, you can recognize revenue more quickly and keep your cash flow moving. You can also recognize revenue more consistently by decreasing your total number of false liability claims. When a customer claims that your delivery driver damaged his floor while installing a fridge, you need to be able to offer pictures that show exactly what that floor looked like when the installation was done—otherwise you're stuck with an incredibly costly addendum to "the customer is always right."

2. Retaining Customers

Again, the cost of acquiring new customers—especially in something like the furniture industry—can be astronomical. This means that retailers of all stripes need to give themselves the best possible chance to win repeat business from their existing customer base. To make that happen, you have to go beyond providing quality products and a strong buying experience—you also need to finish the buyer's journey off strong by offering an elevated delivery experience. To put it bluntly: customer satisfaction depends on getting the right product to the customer at the right time in the right condition. If you can pull that off—through a combination of optimized routes and enhanced last mile visibility—you can satisfy consumers and boost the odds of repeat business significantly.

3. Managing Delivery Costs

There's no getting around the fact that the last mile is the most cost- and resource-intensive segment of the supply chain. Fuel, labor, and other costs add up rapidly when you're delivering to people's homes. That's why it's so important to find a way to boost the efficiency of your delivery operations. If you can get more out of your existing truck and driver capacity in order to complete more stops each day, you can go a long way towards keeping these costs manageable. By the same token, if you can decrease the number of failed deliveries—whether because the customer wasn't home, the driver was running late, or the product was damaged—you can optimize costs even further.



4. Preventing Damage to Bulky Goods

Speaking of failed deliveries: different segments of retail will deal with this issue to varying degrees, but when it comes to something like furniture there is always a real possibility of damage. This issue goes beyond the purview of the last mile, but the way you manage last mile operations can still have a big impact on it. For instance, each delivery attempt increases the odds of damage—meaning that if your last mile operations don't involve strong coordination with customers before, during, and after the day of delivery, the risk of damage is higher than it needs to be. Unfortunately, avoiding damage by improving your first-attempt delivery rates is difficult to pull off with legacy technology or manual customer communication efforts

5. Communicating with Customers Effectively

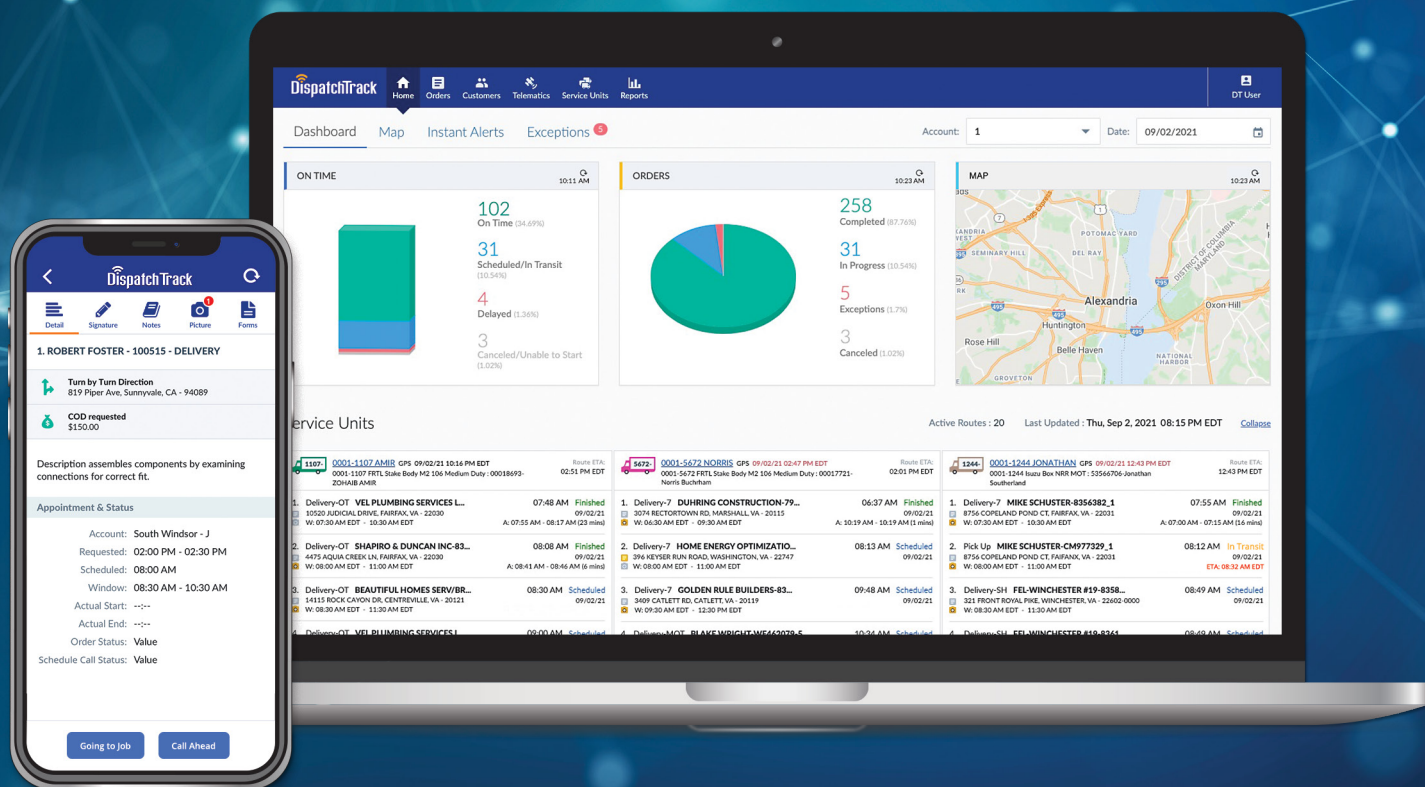
Speaking of manual customer communication efforts: successful retail deliveries require you to communicate with customers a number of different touchpoints. This might involve:

- ◆ Reaching out to customers to schedule a suitable delivery time. This often involves at least two attempts.
- ◆ Calling customers the night before the delivery to remind them to expect the driver within the agreed-upon time frame.
- ◆ Letting customers know when the driver is almost at the delivery site.
- ◆ Fielding inbound calls from customers who are wondering where their orders are or asking other questions about the delivery.

This isn't an exhaustive list, but it should give some indication of how much time your team can wind up spending on the phone with a customer communication tool. And this number only skyrockets when customers start to get antsy about deliveries that may be running late.

Not only is this inefficient, it's also incredibly expensive. Retailers need a way to reduce the total number of phone calls via automated texts, emails, and other methods of communication. Larger retailers will have entire call centers devoted to managing this part of the fulfillment process, which goes to show how difficult it is to keep customers looped in effectively—as well as how much upside there is if you can automate and optimize customer communications.





Best Practices for Improving Last Mile Performance

The challenges above have been mainstays of the last mile conundrum in retail for decades and decades—but as modern technology changes the way that businesses manage their resources, it's easier than ever to turn these challenges into opportunities for smarter, more transparent deliveries.

1. Make Sure Your Routing Works for You

Route optimization means different things to different people, but there are a few generalizations we can make about how routing impacts last mile delivery operations in retail:

- ◆ With scheduled deliveries, accurate ETAs are key to satisfying customers and ensuring repeat business.
- ◆ Maximizing truck capacity—and thereby optimizing costs—requires flexible routing that can handle high levels of complexity without becoming too slow or too opaque for manual adjustments.
- ◆ Whatever routing process you use, it *absolutely has to scale*.

How can you tell if your current routing process meets your needs in these departments? You can start by asking yourself a few questions:

- ◆ When you have seasonal or other spikes in order volumes, does your routing engine scale up easily, or does the process start to slow down?
- ◆ When last minute orders or order changes come in, are you able to make adjustments, or does it take a Herculean effort to change your routes?
- ◆ How easy or difficult is it to share routes across teams and functions to ensure visibility?
- ◆ What percentage of your deliveries are on time within a two-hour window of the promised ETA?

The answers to these questions should give you a pretty clear idea of whether or not your routing workflows are up to the challenges that come with modern retail delivery. Ideally, whatever tool or solution you're using should put you in a position to give confident, affirmative answers to all those questions.

2. Power Up Your Proof of Delivery

The key to decreasing false liability claims and realizing revenue more quickly is a simple yes or no question: are your drivers capturing photo and video proof of delivery for each and every stop?

If they're not, they should be. Ideally, you'll be able to empower your drivers with a mobile application that enables them to add pictures, videos, and notes for each item they deliver (in addition to taking customer signatures, contactlessly if needed). This way, when a customer calls in claiming damage, you can immediately call up the record of the delivery, check the photos to see how they square with the customer's claim, and *only pay out if the customer really is right*.

Here, it's a best practice to ensure that your PoD is automatically timestamped and geostamped, to ensure that you're able to get a complete picture of each delivery.

3. Focus on Customer Experience

Effective routing isn't just about cost- and time-efficiency—it's also about customer experience. When your drivers have route plans that enable them to deliver on time at a rate of 98%, customers are more likely to be home to accept their orders on the first try. This decreases the costs that come with storing the undelivered product and reattempting delivery; it decreases the odds of damage and it boosts the odds that you'll win repeat business from your customers.

This impact is only multiplied when you expand your focus beyond ETA accuracy to encompass the entire customer delivery experience. What might that look like in practice?

- ◆ Offering customers the opportunity to schedule their own delivery time slots (from a series of options that account for your capacity)
- ◆ Sending pre-routing confirmations so that customers know that their order is ready to be routed for delivery
- ◆ Delivery reminders the night before a scheduled delivery
- ◆ Notifications on the day of delivery when the driver starts their route, when the driver is 30 minutes away, and when the customer's stop is up next.
- ◆ Self-serve order tracking via a real-time, branded delivery tracking portal with live ETAs, stop numbers, order details, and more.
- ◆ Surveys for leaving feedback on the delivery process.

When customers feel like they're in good hands, they tend to have much higher satisfaction levels. Not only that, but they tend to be less anxious, meaning they're less likely to call in to your customer service team. When they can easily see when they should expect their delivery, they're more likely to be at home when the driver arrives.

This smooths out the fulfillment chain from end to end. It also delights customers and increases the odds of repeat business—considering the astronomical costs of customer acquisition, it's hard to overstate how important this is.

Of course, phone time is expensive, and when you're trying to communicate with customers at scale it can feel like there's simply too much to do and too much to track. In fact, if you're trying to handle all of this by hand, it really is too much. That's why it's so critical to find a way to automate this best practice. When you can craft an exceptional customer delivery experience and initiate it at the push of a button, you can strengthen your brand, build trust with customers, and ultimately gain an edge over the competition.

Conclusion: How DispatchTrack Can Help

Last mile delivery for retailers isn't getting any easier. And if you're going to try and create delightful, consistent delivery experiences for your customers by following the best practices above, you're going to need the right tools for the job.

Luckily, that's exactly where DispatchTrack comes in. We offer an enterprise-ready end-to-end last mile logistics platform to help you:

- ◆ Optimize routes quickly and easily to maximize truck capacity with 98% accurate ETAs
- ◆ Automatically notify customers of delivery times and statuses
- ◆ Capture picture and video proof of delivery via our driver mobile application
- ◆ Visualize the last mile in real-time and proactively manage exceptions
- ◆ Run custom reports to track return items, delivery performance, and much more.

As a result of working with DispatchTrack, **retailers across a number of different industries have been able to reduce “where’s my order?” virtually to zero and cut not-at-homes in half.** At the same time, DispatchTrack's unique emphasis on true last mile visibility means that you can consistently respond to incidents on the day of delivery within 45 minutes on average.

Best of all, DispatchTrack offers robust integration abilities for slotting into complex enterprise software environments. We take pride in working closely with our customers to configure the solution to their needs and act as a true technology partner for improving building supplies deliveries from end to end.



About DispatchTrack:

DispatchTrack is the complete customer delivery experience and last mile logistics optimization platform. Since its founding in 2010, DispatchTrack has empowered thousands of customers across multiple industries—furniture and appliance, food and beverage distribution, building supplies, third party logistics, and many others—to plan and manage all last mile touchpoints with flexible, easy-to-use features.

Our end-to-end, AI-powered, SaaS-based platform helps users automatically route and schedule deliveries, communicate with end customers, and track the entire last mile in real time. The result is streamlined last mile operations and elevated customer delivery experiences for more than 60 million deliveries each year.

For more information, visit our website at DispatchTrack.com, or contact us directly at **1-866-437-3573** or sales@dispatchtrack.com.