

Aligning Transportation and Marketing Teams for a **Standout Last-Mile CX**



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Today's consumers view delivery to their doorstep as part of their brand experience; if the delivery isn't great, they'll move on to a competitor who can do better. The potential for damage is real: Of more than two-thirds (67%) of shoppers who reported a delivery issue in the three months leading up to a [2023 Descartes survey](#), 19% lost trust in the retailer, 21% did not order from the retailer again and 17% went as far as avoiding retailers that use the delivery company.

The importance of delivery means brands must change their thinking when it comes to the last mile of the customer experience (CX). Defaulting to a legacy transportation provider and hoping for the best will no longer fly.

Delivery's elevated role in driving consumer loyalty means last-mile KPIs should no longer be the sole responsibility of logistics. Today, customer experience, marketing and revenue teams should consider the last-mile delivery experience as an opportunity to improve their performance against KPIs. To meet consumers' new expectations, these discrete teams will need to collaborate cross-functionally to ensure a better brand experience all the way to the customer's doorstep — and back, in the event of a return.



Internal collaboration alone isn't enough, however. Brands must also ensure that the partners they work with are forward-thinking and understand the value of a customer's delivery experience and can act on that understanding.

Brands that get it right — internally and externally — can expect their efforts to pay off. Fulfilling the delivery promise can drive repurchase rates, brand loyalty and revenue. A [recent study](#) from [Veho](#) and [Incisiv](#) found 82% of shippers say that a better delivery experience improves repurchase rates and brand loyalty. It also found that fast and flexible delivery and returns are directly linked to a 8.9% increase in e-commerce conversion rates and a 10.6% rise in average order value (AOV).

And [Gartner found](#) that customers are 21% more likely to make a repeat purchase from a brand if they are satisfied with the last-mile experience alone.

Done right, delivery can be a net positive for retailers. According to [research by AlixPartners](#), 38% of brands say home delivery contributes more to their profitability when compared to in-store transactions. With the right approach to managing home delivery, more retailers can expect to reach the same conclusion.

Read on to learn how successful retailers leverage key customer insights, together with partners capable of executing that vision, to craft a customer-centric delivery experience that serves as an extension of the brand.

Understanding **Last-Mile** Expectations

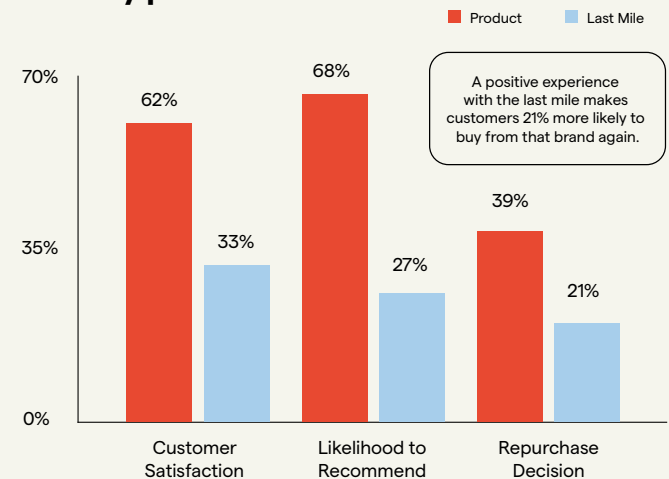
Shoppers' delivery expectations continue to evolve. According to [research by FarEye](#), consumers today define a positive delivery experience as including fast delivery, low shipping costs, delivery tracking, an easy returns process and the ability to select delivery windows. Including these elements in the delivery process can encourage repeat sales and increase brand loyalty.

The customer experience is key to brand perception, and the last mile is especially crucial. In addition to driving a repurchase decision, Gartner found that a positive last-mile experience alone makes customers 27% more likely to recommend the brand. These experiences also drive 33% higher customer satisfaction.

"If you have a positive experience, you might tell a friend about it," says Anthony Gregorio, vice president of strategy and corporate development at last-mile shipping and logistics delivery provider Veho. "You talk about them verbally with your friends, you share about

them, you post about them. Those things all create the beginnings of a virtuous cycle. You're more likely to trust that the brand is going to do right by you the next time as well."

Last-mile is a critical step in the delivery process



"Gartner for Supply Chain Leaders: 3 Logistics Transformations Needed for Better Last-Mile Delivery," Gartner, 2023

Organizing Around the End-to-End Experience

The transportation function owns last-mile delivery in many organizations. As a result, goals and incentives are often aligned with KPIs such as on-time delivery, efficiency and reaching consumers for the lowest possible cost. While these are valuable business metrics, they don't account for everything that's important to the customer. To create a last-mile delivery experience that puts customers at the center, these measures need to be supplemented with insights and data around customer experience.

To achieve that balance, some brands have been building strategic partnerships with shipping partners that are built to address today's customers' expectations.

"One of the things we've seen work really well is getting all voices on the brand side into the room — logistics, customer support and marketing," says Jared Lindauer, a lead product manager at Veho. "There's a balance to strike across costs, on-time delivery and customer satisfaction. Ideally, you want to perform well against all of these metrics. Veho

strives to deliver that. But there's sometimes a bit of a trade-off, so you want to make sure all stakeholders are at the table to arrive at the right place."

Recently, many brands are finding their customers now prioritize the certainty of knowing when a package will arrive over speed of delivery. Marketing and customer experience managers can share such insights as they help the team design and manage the delivery experience. This includes identifying transportation providers that can offer narrow, reliable delivery windows and communicate with the customer when packages will arrive early.



Today's shoppers expect to easily understand their delivery options at checkout, especially delivery windows and how to communicate with delivery providers. This visibility will help boost conversions at a stage when delivery options can make or break the sale.

By leveraging customer experience stats such as net promoter scores, customer satisfaction and customer lifetime value, cross-functional last-mile teams can help brands get clearer on the post-purchase experience and compare variables across transportation providers. It can also help them

understand what customers value and how their priorities are evolving. This understanding allows last-mile teams to better select and collaborate with transportation providers capable of delivering a last-mile experience.

To ensure successful ongoing management of the last mile, some brands also place responsibility for customer delivery support under the senior supply chain executive. This ensures the voice of the customer stays top of mind while managing the delivery experience, including delivery partner management.



Team Checklist for a Great Last-Mile Brand Experience

A high-quality last-mile delivery experience works for the brand and its customers. Behind the scenes, the cross-functional team needs to:

- ✓ Monitor and respond to customers' evolving delivery expectations.
- ✓ Ensure last-mile strategy can match swings in demand without overspending.
- ✓ Adopt detailed last-mile KPIs across the marketing, logistics and delivery CX teams.
- ✓ Identify strategies to ensure excellent last-mile delivery support experience in real time, without overburdening the brand's consumer support associates.
- ✓ Consider the true cost of last-mile delivery and the implications of getting it wrong.

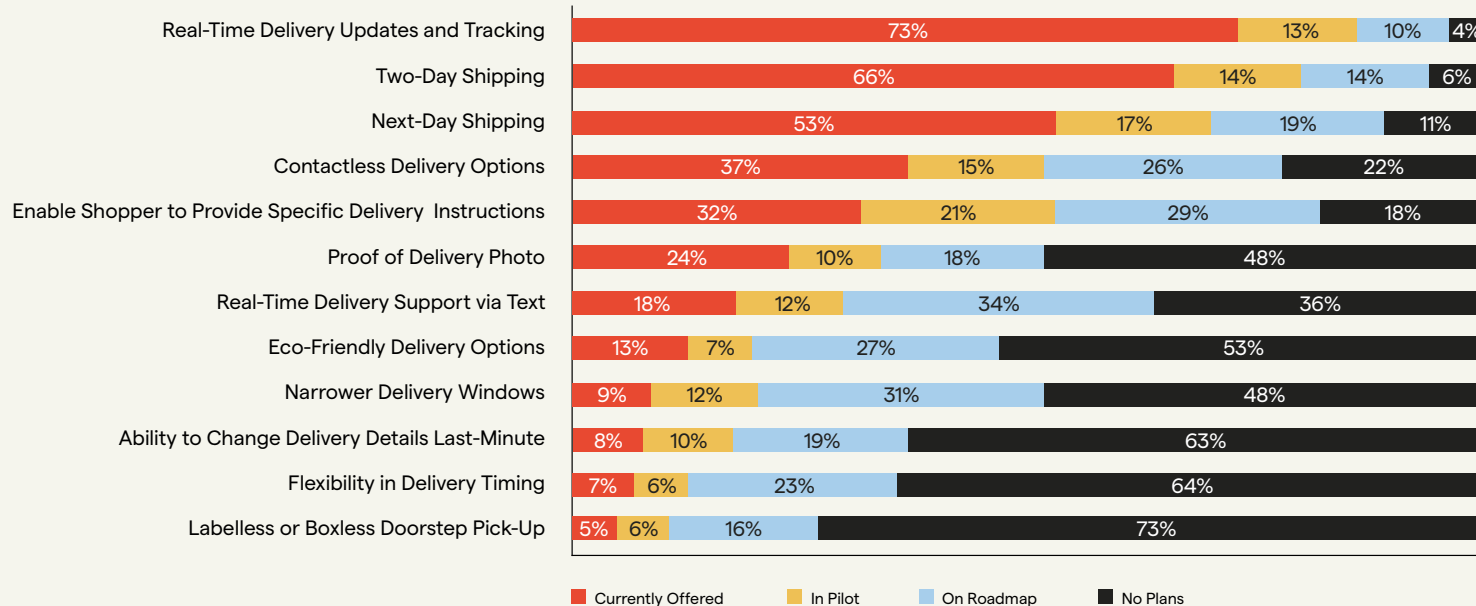
At the same time, the cross-functional team must provide what customers value most:

- A **reliable, secure** delivery.
- **Convenient and specific** delivery windows.
- **Improved visibility** and up-to-date tracking so they know when and where their deliveries will arrive.
- **Two-way communication** with delivery providers.
- **Reliable support** when they need it.

However, not all retailers recognize the opportunity to provide what consumers really want in a delivery experience. While 43% of shippers understand that offering narrow delivery windows is essential for customers, only 21% currently offer specific, shorter timeframes for delivery, underscoring a significant area for enhancing customer flexibility and convenience. And while 32% enable shoppers to provide specific delivery instructions, 47% have no plans or say this is still on their roadmap.

The ability to offer what customers really value enables brands to stand apart from the competition.

Retailers' Plans for Adopting Delivery Capabilities



Source: "INDUSTRY BRIEF: Catalyzing Growth: How Last Mile Delivery Increases Revenue, Loyalty, and the Bottom Line," Incisiv and Veho, 2024; weighted averages

The research also found that retailers think adopting, integrating and maintaining these last-mile delivery options bring their own set of challenges — 68% said they currently find, or expect to find, it challenging or

very challenging to manage the scalability of last-mile delivery operations. That's one reason many brands are turning to external delivery partners to help manage their often volatile last-mile delivery needs.

Choosing a Last-Mile Partner

Brands need to take a forward-looking approach to their last-mile fulfillment partnerships, seeking out partners that can deliver a high-quality customer experience. Fully vetting a potential partner must now include a deep look at how they perform not only on key logistics metrics but also on the customer experience — as well as their ability to innovate and collaborate with the brand.

“The real opportunity is transitioning the way you’re thinking about shipping,” Gregorio says. “It’s a cost driver, but it’s also a potential driver of growth and lifetime value in engagement with the consumer. If you’re working with the right partners, you can feed into the growing consumer expectations and set yourself apart.”

Surveyed retailers report the following observed or anticipated benefits of the last-mile delivery experience:

+8.9%

Improvement in Customer Churn Rate

+10.6%

Improvement in Average Order Value (AOV)

+15.3%

Net Promoter Score (NPS)

+8.9%

eCommerce Conversion Rate

Source: [“INDUSTRY BRIEF: Catalyzing Growth: How Last Mile Delivery Increases Revenue, Loyalty, and the Bottom Line,”](#) Incisiv and Veho, 2024; weighted averages



An emerging class of delivery partners is disrupting legacy parcel delivery with heavy investments in technology and a CX-centered approach to ensure they are delivering on all of the elements of a last-mile experience. On the cost side, these partners are leveraging a gig workforce and prioritizing efficient operations to ensure costs are always aligned with demand. By carefully monitoring customer feedback and collaborating with their clients to create a last-mile experience that consumers value, they're helping brands make delivery a driver of future business.

"Being able to work with a brand and its customer when something goes wrong, to get real answers, understand what happened and have it rectified ... Those gestures are not often made by legacy transportation providers," Veho's Gregorio said. "A transportation provider that invests in a quality support experience helps brands not only save on customer support costs, but also helps them proactively reduce costs related to missing or lost packages.

A great last-mile shipping and logistics delivery provider works with the brand to shape and fulfill an exceptional delivery experience, giving marketers and CX teams a marketable differentiator.

Turn Delivery into a Revenue Driver

Delivery is now an essential element of a successful end-to-end shopping experience, strongly influencing consumer sentiment and future purchase behavior. The right partnerships are key to making that happen. Within the organization, leveraging cross-functional insights and expertise helps brands develop an exceptional delivery experience. And the right last-mile shipping and logistics delivery provider brings the insight and expertise to make that experience a reality.

“This is a market that hasn’t seen innovation for years,” Veho’s Lindauer says. That’s changing as a new breed of delivery partner brings fresh ideas and technologies to the table, he says. “We believe that delivery is very much a part of the brand experience, and we’re obsessed with getting it right.”

Connect with Veho today to explore how your brand can improve the delivery experience.





Veho's mission is to power the future of commerce by making shopping, shipping and returns work seamlessly for everyone. Through an innovative end-to-end logistics infrastructure powered by the latest technology and designed for the needs of brands and consumers. Veho is reinventing shipping, and all parts of the post-purchase experience as we know it. Veho removes the pain from delivery and returns and creates new powerful opportunities for brands to engage and build deep loyalty with their customers, and delight them like never before. Learn more at shipveho.com.

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