

## E-COMMERCE SHIPPING

# Strategies to Drive Customer Loyalty

Developing an effective e-commerce shipping strategy will help you stand out from the competition and gain loyal customers who will keep coming back for more.

It can be challenging for small and mid-sized businesses (SMBs) to keep up with larger companies, but your shipping processes are one area you can optimize to help ensure customer loyalty — even if you're on a budget.



# Why does customer loyalty matter?



## LOYAL CUSTOMERS ARE MORE PROFITABLE

There's no question that customer retention is a crucial aspect of making your business profitable. While attracting new customers is important for growth, building long-term relationships with existing customers may be an even more important strategy.



## LOYAL CUSTOMERS SPREAD POSITIVE WORD OF MOUTH

Word of mouth is an essential element of an effective growth strategy — and it can often serve as a replacement for costly marketing efforts. With loyal customers expanding your reach for you, you'll be able to focus on other important aspects of your business.



The probability of selling to an existing customer is **60-70%**, compared to **5-20%** for a new customer.<sup>1</sup>

Attracting a new customer can cost five times as much as it does to keep an existing one — and a mere **5%** in retention growth can increase profits from **25-95%**.<sup>2</sup>

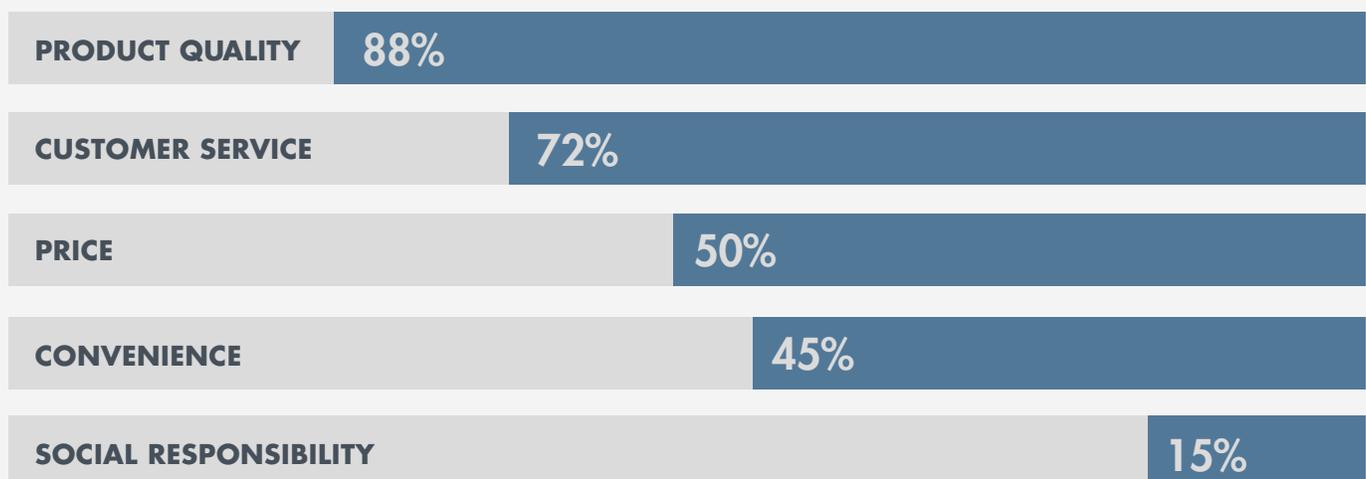


**77%** of consumers are more likely to buy a new product when learning about it from friends or family.<sup>3</sup>

The lifetime value of new customer referrals is **16%** higher than non-referrals.<sup>4</sup>



# What promotes customer loyalty?<sup>5</sup>



In this guide, we'll review the five common values that promote customer loyalty and walk you through the process of aligning your e-commerce shipping strategy with each one.

The best way to ensure your e-commerce shipping strategy encourages loyalty is to listen to your customers' unique concerns and optimize your strategy around common themes. You'll want to send out a post-delivery survey to get more information on what went right (and where there's room to improve).



After all, 77% of consumers say they favor brands that ask for and accept customer feedback.<sup>6</sup>

Read on as we outline how you can promote customer loyalty with your shipping and logistics processes.

## Customer service

These days, prices for nearly everything in life are higher. SMBs don't have as much wiggle room, so they're making sure they get the most out of their limited budgets (i.e., focusing on getting the best possible customer experience for their money).

With prices going up, the shopping habits of American consumers have markedly changed. Inflation is costing the average household an additional \$276 per month on general goods and necessities.<sup>7</sup> As shoppers become more selective with their purchases, it's more important than ever for SMBs to create seamless end-to-end customer journeys to earn loyalty.



Thinking about online shoppers as a whole is important, but you should also consider your most loyal customers and their unique values. What do they care about most?

See more ways to optimize your e-commerce shipping strategy in [\*\*Unishippers' Guide to E-commerce Shipping for SMBs.\*\*](#)

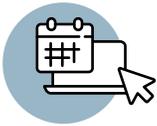


The key to good customer service is communication. Fully engaged customers are more loyal and profitable in good economic times and in bad, showing an average 23% premium in terms of profitability, revenue and relationship growth compared with the average customer.<sup>8</sup>

# So how should you engage your customers?



With Unishippers' transportation management system (TMS) – myUnishippers™ – you can easily and efficiently track shipments without going to multiple carriers' websites. One-stop tracking solutions keep your customers informed every step of the way.



Show customers the expected delivery date at check-out



Offer shipment tracking and email notifications



Take immediate action when there's a problem

Customers don't expect you to be perfect, but they still expect accountability. Proactively communicate with your customer when there are problems with their orders so they know what to expect next.

## SHIPPING UPDATES THAT YOUR CUSTOMERS WILL EXPECT:



When the order has been received



When the order has shipped



When the order is being fulfilled



When the order has been delivered

## Product quality

While providing a memorable customer experience has become increasingly important, product quality is the number one reason customers stay loyal to brands. In fact, Yotpo's national survey on American shoppers' attitudes towards customer loyalty revealed that 55.3% of consumers stay loyal to a brand because they love the product.<sup>9</sup> So how can you avoid damage in transit to protect your product quality?



Properly package your shipments



Consider any non-standard shipping services your goods may require (e.g., if you're shipping perishables)



Select the right shipping service to keep your products safe



Understand small package shipping limitations



Protect your shipments with small package insurance protection



# Price

There's no arguing with the data: A product with a price that matches its perceived value is one of the most impactful drivers of customer loyalty.

In 2021, Baymard Institute found that 49% of shoppers abandoned a cart at checkout because extra costs — like shipping and taxes — were too high.<sup>10</sup> Similarly, Shopify's Future of Commerce report shows that 74% of shoppers want to see shipping costs upfront when making purchase decisions, and 68% would like free returns.<sup>11</sup>

## **LOWERING PRICE POINTS CAN PUT STRAIN ON A BUSINESS — ESPECIALLY FOR SMALL AND MID-SIZED BUSINESSES. BUT THERE ARE OTHER WAYS TO DRIVE LOYALTY! LET'S GO OVER YOUR OPTIONS:**

### **OFFER FREE SHIPPING (FOR ORDERS OVER A CERTAIN PRICE)**

- 90% of customers would shop online more often if given the option for free shipping, and 24% of customers would spend more money to qualify for free shipping.<sup>12</sup>
- Even if you can't afford to offer free shipping, make sure the exact shipping costs are clearly displayed at checkout. Unishippers' e-commerce integrations let you display exact negotiated rates to customers at checkout.

### **CONSIDER STARTING A LOYALTY PROGRAM**

- Over 70% of consumers are more likely to recommend a brand if it has a good loyalty program.<sup>13</sup>

### **STAY AHEAD OF UPS® SHIPPING RATE FLUCTUATION**

- Be aware of changes to parcel shipping rates (based on current industry factors) to ensure you pass on the correct rates to your customers.



As part of the nation's largest non-retail Authorized Reseller of UPS shipping services, Unishippers offers discounted rates for lightweight, residential shipping that are normally only available for larger volume shippers.



# Convenience

In the age of information, consumers are able to compare pricing and benefits in a matter of seconds, which is why it's crucial that you streamline your processes to keep your customers engaged and wanting more.

## TO ENSURE YOUR CUSTOMERS DON'T LOSE INTEREST, YOU'LL WANT TO ENHANCE YOUR CHECKOUT AND DELIVERY PROCESSES:

### CONVENIENCE AT CHECK-OUT

Unishippers supports shipping integrations and plugins designed to optimize your customers' online shopping experience, including:

- **Shopify.** A technology infrastructure that supports the customers' buying journey and drives them to conversion. Shopify includes helpful features like email integration and call tracking.
- **Adobe Commerce (Magento).** Among many features that help you get accurate shipping rates and free shipping thresholds, you can display discounted UPS shipping rates directly on your website's shopping cart.
- **WooCommerce.** Easily configure shipping options, get secure payments and customize your experience to best fit your industry with this platform built on WordPress.

### CONVENIENCE IN TRANSIT

Customers need to count on efficient order fulfillment. After all, a quick delivery doesn't count for much if customers have first endured a long fulfillment process. Here are some quick tips for efficient order fulfillment:

- **Establish a consistent fulfillment process.** Developing standardization for order fulfillment creates a sense of consistency and dependability. Every SMB has its own fulfillment process. For some it may mean hiring a team, and for others it means setting aside a few hours each week to get the job done yourself.
- **Optimize your supply chain.** A strong [supply chain strategy](#) can ensure that everything runs smoothly from the ground up.
- **Understand the ebbs and flows of your company's order volume.** Delivery times can increase during peak season, so the last thing an SMB wants is to slow the pace on the fulfillment end as well. Gathering data on the ebbs and flows of your order volumes can help you stay on top of your shipping game. [Learn how to optimize your UPS shipping strategy for the coming year.](#)



With Unishippers' integrations, you can print shipping labels as soon as an order is received.



With myUnishippers' proprietary packaging algorithm, you can map individual items in your store to handling units to display more accurate rates in your shopping cart, taking the guesswork out of the fulfillment process and the shopping experience alike.



- Give your customers [multiple delivery speed options](#) to choose from. When it comes to choosing where to shop, fast delivery is one of the most important deciding factors for customers.



According to Retail Touchpoints, 63% of online shoppers expect three-day delivery as standard.<sup>14</sup>



With myUnishippers integrations, you get all the flexible shipping options you need to provide a consistent experience for your customers.

### CONVENIENCE DURING DELIVERY

Let customers opt to sign for their shipment (to decrease theft) or select an alternate pick-up location — which is an option with the new UPS e-commerce program for lightweight residential deliveries.

### CONVENIENCE AFTER DELIVERY

Making the returns process easy is essential for customer retention. According to a Narvar consumer report, 96% of consumers will shop with a business again if they have a convenient return experience.<sup>15</sup> Here are some quick tips for convenient returns:

- Include a return shipping label with each package
- Offer free return shipping
- [Streamline and simplify your returns process](#)

## Social responsibility

Companies are increasingly ramping up their focus on social responsibility — and for good reason. Being socially responsible can strengthen your company's image and build its brand. According to a Forbes poll in 2020, purpose-driven companies are 22% more profitable than those without social responsibility.

### SO HOW CAN YOU DEMONSTRATE SOCIAL RESPONSIBILITY?

#### FOCUS ON YOUR CUSTOMERS' VALUES

- Customer reviews and feedback (social media and otherwise) can give insight into what your customers value.

#### PRIORITIZE SUSTAINABILITY

- Younger generations (who are more likely to shop online) value sustainability — so much so that they are willing to pay a premium for companies that work sustainably.
- Reduce environmental impact with [Unishippers' five tips for making your UPS® shipping more sustainable](#).



## Boost customer satisfaction and loyalty with Unishippers

Standing out as an SMB in the e-commerce world can be daunting — especially when larger global brands seem to have every tool at their disposal. Luckily, you're not alone!

Unishippers can help you deploy an e-commerce shipping strategy that will enhance customer loyalty — and your bottom line.

## Contact Unishippers to get help with your e-commerce shipping strategy!

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