Transport and Logistics

Create value in your customer journey

Changes in market and customer expectations within transport and logistics

Across the globe, routes have been established to transfer people and goods to make the world more accessible. This means that you as a provider of transportation, shipping and other logistics can't wow your customers with providing just the A to B journey itself.

Today's competition lies in the service you provide on top of the A to B journey. By expanding innovative solutions and disruptive value chains, you can beat your competitors to it. Customers expect extra value and have heightened expectations of your service level. We see mobility as the ideal starting point for simplifying or optimising the touchpoints in a journey from A to B. Take a look at your classic business models and see new opportunities before others do.

Think across the entire journey and make sure you create value before, during, after and around the journey. Whether you transport people or ship goods, these four touchpoints can inspire you to do more.

This paper will give you the answer to these key questions:

1. How can transportation and logistics providers increase value and service in all phases of the customer journey?

2. In which ways do 'best in class' companies solve these high expectations on added value?

3. How can you do a health check on the value you provide to your customers?

4. What can you do to start a process for optimising your digital services?

Unlocking value by tapping into the digital customer journey

Inspiration through guidelines and actual cases

In the following pages, we will explore the opportunities facing the transportation and logistics industry in terms of developing their service for customers to ensure that their offerings match the needs, expectations and diversity necessary for today's marketplace. We will address four cases from companies that have developed successful digital innovation.

Around

Before

During

After

Next step

Connect with the customer before they make their decision

Prior to any journey taking place, there is preparation. Preparation is the first touchpoint between you as a company and your customers. If the customer connects with your company early in the process, the chances are that they will choose you for the tangible part of the journey as well. So how can you, as a transportation or logistics company, assist your customer early on in their journey?

The digital world has given you a wide range of opportunities for just that.

Some companies have already started this transformation and we see a lot of companies looking for consultancy on how to approach this pre-journey experience. Some of the actions we see involve:

- Simple and intuitive booking flows, providing customers with the help they need to feel secure in the service they are purchasing.

- Providing information of available and relevant activities during the journey.

- Real-time status updates servicing the customers.

- Customer recommendations based on previous purchases and needs at a balanced level without spamming the customer.

- Minimising the bureaucratic hassle in planning a journey by crowdsourcing the service.

easyJet - A single point of contact, from ticket purchase to take off

easyJet has succeeded with an easy flight booking flow, which may be the main reason for users to download the app. However, the app also combines multiple features and functionality, which makes it the ideal 'before' app for planning and starting your trip.

Besides ticket purchase, the app counts functionality as:

- Add hotel or car rental on location
- Check-in with easy access to a saved passport
- Store boarding pass and connect to the iOS wallet
- Timely push notifications in the airport about boarding or delays to make sure that the traveller has the least stressful way through the airport

easyJet puts the customer journey front and centre, and knows that buying tickets is only a small part of starting your travel. Extra functionality makes the easyJet app a single point of contact from the moment the ticket is bought to the plane takes off. The convenience it offers on top of the ticket extends the app into a service worth downloading and investing time in.

See easyJet app: http://www.easyjet.com/en/mobile-app

Exceed customer expectations by providing more than tangible transport

Whether the customer experience from A to B is a good experience is often influenced by a wide range of factors. Most of these are common knowledge, such as comfort and time. The question today is how to exceed these common expectations. Your customers can get the standard experience almost everywhere, so the challenge is to build on to this while still keeping it simple and easy to access.

We have defined some simple actions based on our own experience that provides customers with an extra level of value during the journey:

- Integrating the digital and physical playing field, by allowing customers to interact with artefacts enroute and with you as a company through their digital devices.

- Incorporate wayfinding to let the customer explore relevant entertainment or knowledge on and about their journey.

- Involve customers as co-creators of the service by having them report bugs and improve feedback through smart technology like chatbots. This aids users in feeling more connected to the journey and that their opinion is providing value. This increases the chance for them to return to the service, thereby heightening retention rates.

- Use data-tracking to be able to push customers to change behaviour for an optimal experience, while at the same time create a link to the post-journey - similar to the way in which goods or travellers reach their destination.

Waze - crowdsource traffic alerts and create a community around navigation

Waze is a crowdsourced navigation tool that constantly calculates the fastest route based on real time data from all users. This way all users participate in the co-creation of best 'during driving' experiences.

As in Google Maps, the accuracy of the routes depends on the amount of users using it. By collecting data and allowing users to report obstacles in real time, Waze knows where traffic jams, closures and incidents hinder the route. Other users affected by the sudden changes are alerted and they can instantly choose a new route. The extension of a navigation app into a community for drivers gives rise for loyalty and an ever self-perpetuating loop of use and data.

Waze is made for the purpose of *driving* and the interface is closer to a traditional turn-by-turn GPS than Google Maps, which is also optimized for walking, cycling and driving. Waze has understood the specific context of driving and made a tool that matches the need in this context. They solve it in a way that supports, adds value and doesn't disrupt well functioning workflows while driving by allowing voice control and clean interfaces.

See Waze: https://www.waze.com/ (owned by Google)

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Change the perception of destination to a touchpoint instead of an end

Most of the time, the main attraction of a journey is the destination. A vacation, going to work, or goods reaching their point of use. For the transportation and logistics industry, reaching this will likely mean 'the end of the journey' as implied in the word 'destination'. But what if this was seen as a new touchpoint with your customer instead of 'an end'? By altering this common perception, a new space for influencing your customers towards a more positive experience is created.

By changing our conception of 'the end' has allowed us to implement solutions and exploit new opportunities. See for example these takeaways and actions:

- Transform data into actionable recommendations that will help customers optimise their next journey, such as letting a traveller know that their sleep pattern during the journey hasn't been favourable.

- Exploit access to customers and uncover bad and good experiences through ratings, or use tangible incentives to get feedback and connect customers to their next journey.

- Use this touchpoint to perform service recovery should the service not have lived up to customers expectations. It is the perfect time as you are still top-of-mind to the customer and they are more likely to consider your service at this point.

- End the journey for your customers by preparing them for the next journey through simple, actionable communication, such as a direct button to book their return or next delivery.

- Aid your customers with information about the end location, e.g. special offers and ideas.

Narvar - Building customer loyalty by expanding 'the end' with data analysis

Narvar has a data driven approach to service optimisation within shipping. They supply retailers with a branded consumer-centric portal that drives customer loyalty through expanding the post-purchase experience. Retailers such as Sephora can integrate Narvar to take care of a good delivery experience. By collecting data from their own reports on customer loyalty and value-chain risks, they have invested not only in a premium shipping experience but managed to create a business revolving around what is normally 'the end'.

They use stats such as "95% of customers who are satisfied with the returns process said they'll purchase with the retailer again"* to take good care of end-customer relations and ensure that Narvar's own customers grow and maintain their business.

Narvar provides customer service through Facebook Messenger, where machine learning algorithms answer common delivery questions via chatbots. This requires extensive data capture to stay on top of the issues and questions the customer experience, as well as constantly keeping them in the loop to restart the journey.
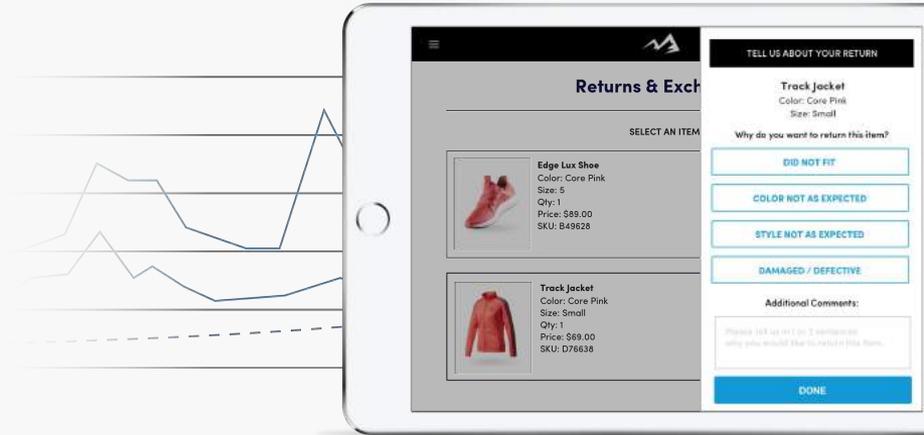
*Making Returns a Competitive Advantage Consumer Report, Narvar

Incorporate the surroundings of the journey and gain a holistic experience

The easiest thing is often to provide segmented services as most companies are divided into silos - each responsible for their part of the journey. To the customer, however, the experience is the whole journey from beginning to end, not in segments. In addition to this, there is great value to be found in connecting the before, during and after journey as a whole. This give rise to a unique opportunity, not only to significantly improve the customer experience, but also to increase loyalty and secure revenue.

The key in achieving this lies in the added service that is connected to a single touchpoint, but also wraps the journey in extra convenience, extra intelligence or less friction between touchpoints.

- Be a single point of information to collect knowledge about the journey, e.g. the user's car. A platform that tells you to perform certain actions based on data to maintain or refine your experience.

- Develop intelligent solutions that provides special offers and extraordinary experiences to loyal users.

Some of these extensions will happen within the organisation of the provider of the experience, such as:

- Optimise communication across internal departments to shorten communication paths and create easier access from issue to result in the strive for all round better performance.
- State the facilities surrounding the A to B-journey as a symptom of overall service by ensuring that they are in accordance with brand standards. This will provide a feeling of coherence for the user.

With Mercedes Me you are not a 'car owner' but a 'Mercedes owner'

Today's car manufacturers are not only a team of mechanics engineers. The car has become a peace of software that provides comfort, service and personalisation. Even though the car is still a means of transportation to reach a certain destination, owning a car is becoming a holistic experience.

Mercedes has developed an application that collects data on your car to add extra layers of convenience:

- Keep track of your car data such as tyre pressure, status on the fuel tank and when it's time for the next service - and share it with your retailer
- Unlock or lock the car remotely for waiting passengers
- With your smartphone you can park the car when the space is tight
- Check the finance details on the car within the app
- Manage your service plan

It's all about you and your car rather than just reaching your destination. Being a 'Mercedes owner' has turned into something unique.

See Mercedes Me: https://www.mercedes-benz.com/en/mercedes-me/connectivity/

▶ Play the video

Do you create value for your customers throughout their journey?

We have recapped some of the preliminary actions that will heighten the overall customer journey experience and ensure that value is created throughout all phases. Take a runthrough of the lists below and see if any immediate actions come to show. There are plenty of other activities that you can do, so if these have already been accomplished, you may want to take a look at our next steps.

Before the journey

○ Basic information should be easily accessible.

○ Give customers real-time status updates if there are changes to the journey.

○ Assistance is accessible at all touchpoints where customers may have doubts.

○ Translate data to relevant recommendations.

○ Use crowdsourcing to enhance customer engagement.

During the journey

○ Link the digital to the physical environment to create a coherent understanding.

○ Expand the understanding of the journey through wayfinding.

○ Create a direct channel between customer and company.

○ Define accessible data and translate to actionable use.

After the journey

○ Inform the customer of opportunities at the destination.

○ Create rating and feedback options where customers get immediate responses.

○ Create a direct path to the next journey.

○ Implement a recovery strategy in case of bad experiences.

Around the journey

○ Use intelligent solutions that heighten the overall experience to loyal users.

○ Optimise communication across internal departments.

○ Ensure that facilities are in accordance to brand standard.

Next step processes

The activities previously mentioned cover a broad number of activities to ensure a strong position in the market and in your customers' mind. But how do you define which path is the right for you, your customers and your business? A customer-centered approach will help you define your opportunities and narrow down which actions would be redundant and which match the customers' needs and your tangible strategic targets. The following describes some of the processes that we are most fond of in regards to creating customer value.

Contextual inquiry

Combining the best of of traditional interviews with ethnographic observations.
Conducted through four principles: context, partnership, mutual interpretation & focus. *

Purpose

Contextual inquiry is a unique opportunity to achieve an understanding of users and what they consider valuable in relation to an app or a service. By interviewing users in the actual context, the revolving topic will be top-of-mind and give honest answers.

Method

The inquiry is conducted based on a semi-structured interview guide with open questions that allows the interviewer to get in-depth knowledge of specific areas. The questions concern users habits and behavior, thereby enlightening the user's current situation, which is analysed and interpreted.

Results

The results can ensure that you design and develop for an actual need instead of creating a service or app that will never be used. The gained knowledge will lead to learnings and opportunities. These can be used to guide development processes and/or specify requirements for an app or a service.

*C. K. Prahalad and Venkat Ramaswamy, Journal of Interactive Marketing

Co-creation

The joint creation of value by the company and the customer; allowing the customer to co-construct the service experience to suit their context*

Purpose

Co-creation is a way to exploit a customer's knowledge and formalise behaviour, needs and mental understandings. It further strengthens customer engagement as it creates a feeling of being embraced and listened to.

Method

Co-creation is performed by inviting customers to join the innovation process. Through their expert knowledge, problems in the customer journey are identified and ideas to solve these are generated. The scope of co-creation can be adjusted to match the needs of each process. It is important that the participation is active and not passive so that customers are seen as equals to business representatives.

Results

Performing co-creation leads to first hand knowledge of customers value creation, needs, behaviour and risk-benefit balance to name a few. Integrating customers early in the process allows you to develop a more precise and relevant service, thereby increasing the chances of customers having a positive reception of the service. Another benefit is that the involved customers become highly engaged, and they often become advocates of your service after release.

*C. K. Prahalad and Venkat Ramaswamy, Journal of Interactive Marketing