



Customer experience in the new reality

Perspectives from the logistics sector

Global Customer Experience
Excellence research 2020



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Introduction

The global logistics industry has risen to the challenges of COVID-19, protecting staff and customers while flexing to the peaks and troughs in demand. According to analysts it has been catapulted into the future by three years. Shipment volumes projected for 2026 now look likely by 2023¹. But now every aspect of delivery operation needs to be optimized around cost and the need for safety and sustainability.

During the early stages of the pandemic, the business-to-business logistics market almost came to a standstill. Impacts were significant as supply chains were seriously disrupted and new regulations rapidly introduced.

Meanwhile, the business-to-consumer market has grown dramatically as people in lockdown moved online to make their purchases. Not only did volumes grow; the profile of goods being shipped changed, with more consumers ordering even the largest purchases online. Furniture, fashion even cars now being purchased over the internet. In response, logistics companies fast-tracked their growth and development strategies, quickly expanding to seven days a week and making significant investments in e-commerce, people and assets to cope with demand.

They have also responded to the challenge of making deliveries safer for employees and customers. Contactless last-mile delivery solutions have been crucial to the industry's COVID-19 response.

Signatures no longer required as photographs provide proof of delivery.

In fact, across every part of the logistics landscape, companies have realized they need to optimize their operations, with data and technologies as critical enablers.

In fact, across every part of the logistics landscape, companies have realized they need to optimize their operations, with data and technologies as critical enablers. Gaining greater visibility across the supply chain is key, by collecting and sharing data to track packages in real time from point of origin to destination. New data sources are making this possible.

Tracking data can come from logistics companies' operational and planning systems, from sensors in warehouses, on pallets in transit, and from telematics in trucks and on ships. All providing a real time view of supply chain progress.

¹ <https://atos.net/en/blog/logistics-challenges-and-opportunities-in-the-post-covid-19-world>

The future experience

Logistics companies have become effective at communicating to customers about the precise time of arrival and options to change delivery arrangements. But there is more that can and needs to be done to optimize routes using data.

By gaining the exact view of a package's condition and location at every stage, logistics companies can predict any disruption — and when external data sources are integrated (about traffic or weather, for example) together with machine learning, then routes can be changed in real time.

COVID-19 will likely accelerate digitization, drive the consolidation of the logistics and retail markets and foster new hybrid online/offline retail business models.

Dramatic drops in the cost of sensor technology are creating a significant leap forward in intelligent supply chain technologies and use of data. And when this kind of big data is overlaid with powerful analytics and machine learning, companies can then use it to track, optimize and predict their operations.

They can accurately monitor and adjust the movement of goods to maximize efficiency and even simulate complex supply networks using digital twin technology; and they can share information and work more closely with customers and other partners.

COVID-19 will likely accelerate digitization, drive the consolidation of the logistics and retail markets and foster new hybrid online/offline retail business models. COVID-19 will likely

also be a catalyst for contactless, unattended and autonomous delivery technologies, putting added pressure on cities.

While the use of drones for making deliveries is starting to emerge, these are subject to local laws and regulations and take-up is still relatively slow. In contrast, use of smart locker solutions for safe, convenient, contactless pick-ups is growing significantly.

More widely, safety and sustainability are critical business drivers for the industry — especially given the urgency of environmental challenge. Leading logistics companies are using connected technologies to collect and share data in real time to help drivers reduce fuel consumption and drive safely.



The recovery pathway

COVID-19 is generating short-term disruptions and longer-term structural changes, with e-commerce experiencing soaring growth in new online categories like groceries and home care. 80 percent of customers new to purchasing on the internet, intend to continue using that channel².

Logistics companies who have pivoted their businesses to deal with the structural changes associated with COVID now face some longer-term strategic questions:

- How does our delivery ecosystem, particularly the last mile need to balance increasing demand and environmental concerns?
- What does this mean for the supply chain and technology interventions we need to make and their potential impact on emissions, congestion, and delivery cost?
- What are the COVID 19 implications for vehicle change (EV) and contactless delivery?
- Cities will face increased congestion and backlogs due to even more delivery vehicles. Customers are turning to private vehicles rather than public transport to commute and whilst this will be partially offset by working from home what does this mean in terms of delivery schedules and congestion?
- What role will autonomous vehicles or robots play in our delivery portfolio?

The Six Pillar model was developed to provide a precise and practical definition of the kind of emotional outcome a successful experience needed to deliver. Based on over 4 million detailed customer reviews, The Six Pillars have been validated in 27 markets this year and modeled against the commercial outcomes of retention and recommendation. The Six Pillars are inextricably intertwined and, in combination, provide a powerful mechanism to help organizations understand how well their customer experience is delivered across channels, industries and company types. The leading organizations demonstrate mastery of these pillars and are outstanding at all of them. [Click here for more information.](#)

² KPMG International Research Jun 2020



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Steffen Wagner
Global Head, Transport & Leisure

The optimal recovery pathway scenario will align business priorities with ecological and social priorities and societal pressure will encourage all stakeholders to take quick action. The Six Pillars of Experience can help guide decision making:

Integrity

COVID-19 has raised the possibility of a less traffic-jammed future and improvements in emissions and global warming. Stakeholders will want to know what firms intend to do to ensure that appropriate action is being taken.

Resolution

Rapid problem solving, and tracking continues to be a central requirement. Getting it right first time is essential. Cities and municipalities may be looking to rapid innovation to reduce emissions and traffic. The industry will need to find new ways to consolidate deliveries.

Expectations

The setting and resetting of expectations based on changing circumstances is critical for last mile companies. The use of advanced analytics and predictive technologies can help minimize deviations from promised delivery times.

Empathy

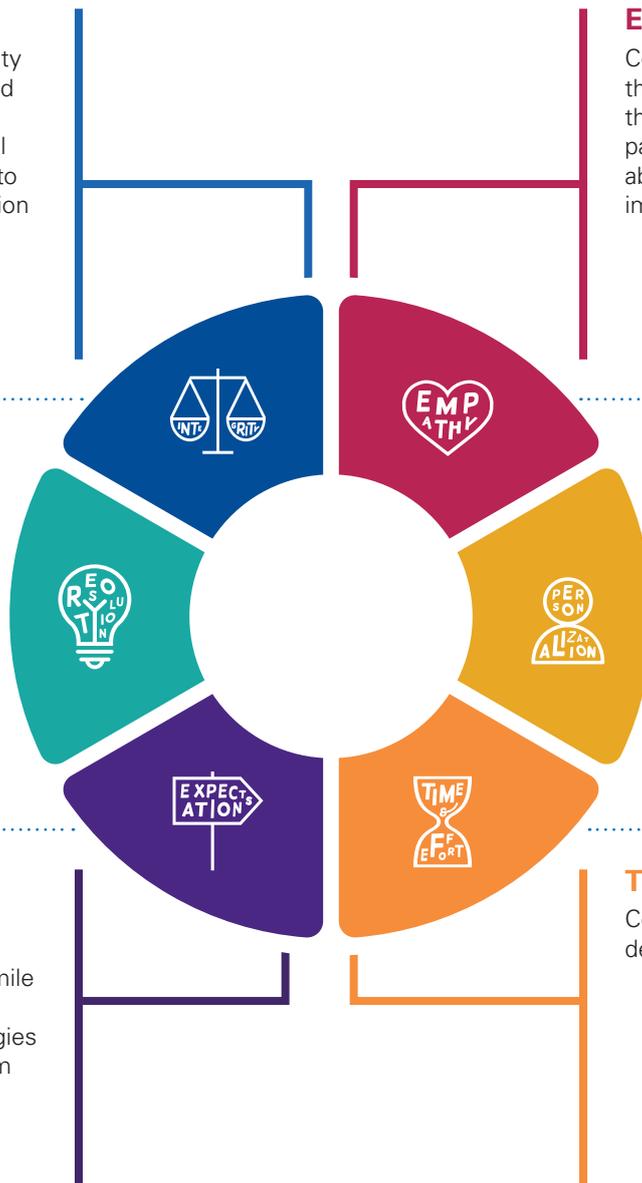
Compassion, kindness and thoughtfulness have typified the commercial response to the pandemic. Showing that you care about the customer continues to be important even post COVID-19.

Personalization

Putting customers in control has never been more important. Enabling customers to rapidly respond to changes in their circumstances and make changes to delivery schedules accordingly is an essential element of the customer experience.

Time and effort

Contactless, touchless and secure delivery are now standard needs.





Case Study

Zasilkovna

As a home delivery company operating in both the Czech Republic and Slovakia — Zasilkovna have seen their business expand rapidly as a consequence of COVID-19.

It has more than 2,000 pick-up points all over the country, where you can pick up or hand over a package when you are passing by. Zasilkovna pride themselves that home deliveries are right on time and that they are cheaper and safer than competitors. The logistics services attract operators of on-line shops, enabling them to ensure swift delivery of packages to the end customer.

Zásilkovna gauges customer satisfaction through questionnaires, and there is a customer center that handles e-mail and Facebook queries. In the future, the company wants to use chatbots more to pinpoint where a package is located, based on the shipment number.³



Case Study

An Post

An Post reacted quickly to COVID-19 seeing its community responsibilities as extending beyond just collecting and delivering mail and parcels. They introduced an online check-in service where customers could request a specific check-in by the local postal worker, with a specific elderly or vulnerable relation. This service ensured that certain addresses were prioritized for a socially distanced call or visit. Where the customer was found to be in need of assistance, the postal operative linked them up with specialist volunteers operating under of the auspices of the local authorities, and again assisted with the delivery of prescriptions etc.

They provided free post for older/vulnerable persons self-isolating. When certain customers had letters for posting, the postal operative took them and An Post provided the postage free-of-charge (this will continue for the duration of the COVID-19 crisis).⁴

³ <https://www.nejlepsi.cz/en/zasilkovna>

⁴ <https://www.parcelandpostaltechnologyinternational.com/features/coping-with-covid-19-an-post.html>

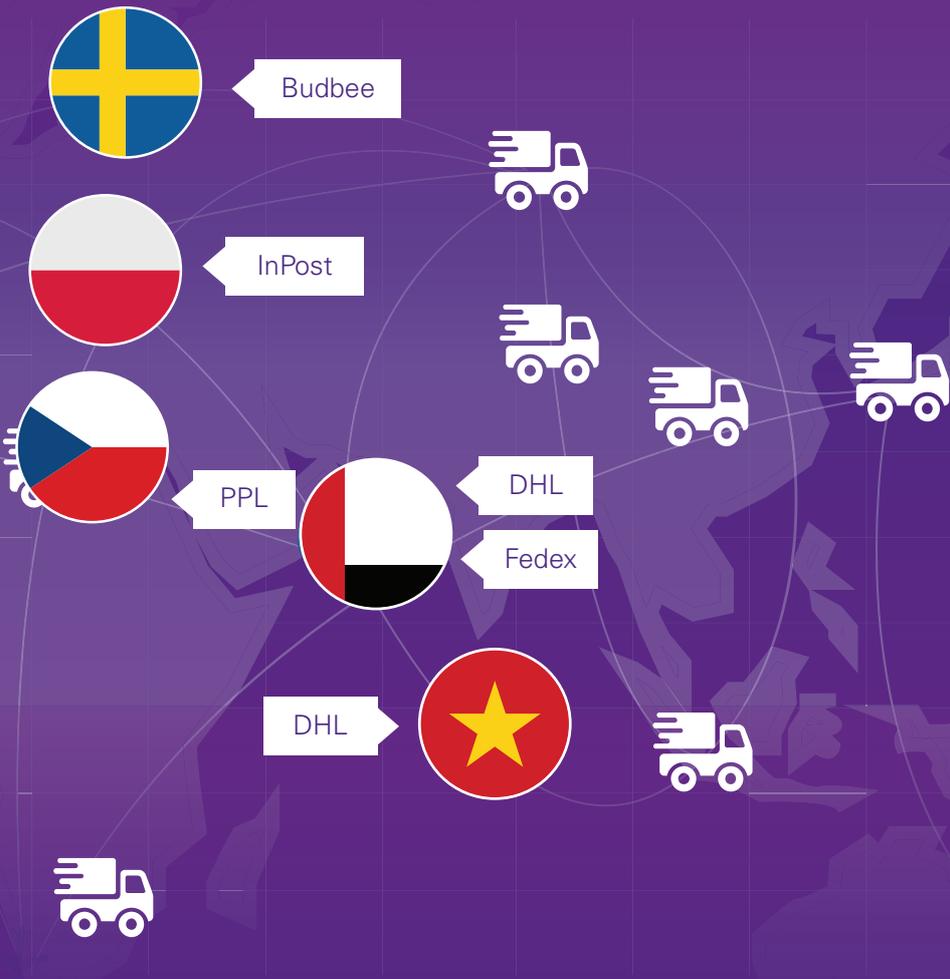


Hall of Fame 2020

The leaders in this year's global CX research are well adapted to respond to new and emerging customer requirements. Each of the companies in this year's hall of fame are united by their desire to continually improve and innovate. They realize that digital services require a human touch and are mastering the art of highly personalized service across channels.



Note: Hall of Fame based on brands' CEE performance relative to their market, according to consumers in the market specified.



Summary

The changes in customer buying habits are here to stay. The response of the logistics industry needs to balance the potentially conflicting needs of different stakeholders. Logistics providers have stepped up to the challenge of making deliveries safer for employees and customers. Contactless last-mile delivery solutions have been crucial to the industry's COVID-19 response. However, safety and sustainability will be the critical business drivers for the industry — especially given the urgency of environmental challenge.





Get in touch

COVID-19 presents challenges to businesses — but also opportunities. It throws light on the need for organizations to put the customer at the heart of the business and have a coherent, consistent intent across their Front Office functions — and indeed connect the entire enterprise. It highlights the importance of digitalization and robust data collection so that organizations make decisions based on evidence, not instinct. And it foregrounds how essential it is for organizations to consider how each function fits together.

To flourish rather than flounder, businesses must determine the correct investment strategy across the Front Office by considering their customers, their brand and their place on the economic curve, so they can invest with greater certainty of return. All companies will be physically constrained during the measures to contain and limit the impacts of COVID-19 and their values will come under close scrutiny. However, they must leverage their ability to adapt and be resilient, embrace technology and, above all, trust their teams to put their customers' needs first and foremost — as this will bear fruit long after the pandemic is over.

If you have any questions regarding the possible impact from COVID-19 or are looking for help to position your customer experience strategy to be resilient in the face of future threats, please do not hesitate to get in touch with our global network of consultants.

Julio Hernandez
Global Customer Center of Excellence Lead, and Principal, US Customer Advisory Practice Lead
KPMG in the US
E: juliojhernandez@kpmg.com

Steffen Wagner
Global Head, Transport & Leisure
E: steffenwagner@kpmg.com

home.kpmg/customerfirst



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