

# How online SMEs can manage Black Friday logistics

For online retailers, Black Friday is one of the biggest business opportunities of the year. But without the right logistics in place, it could turn into a major business headache and customer deterrent. "No matter how stable your site is and how good your specials are, poor logistics can undermine all your Black Friday wins," says Joshua Shimkin, head of SME growth and marketing at Peach Payments, a South African-based payment gateway.



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Shimkin notes that the logistics of distribution and delivery underpin the success of any e-commerce site. "How you approach logistics impacts your costs of doing business, your customer satisfaction, and your overall brand reputation," he says.

A recent study by Ipsos and Octopia in Europe found that 85% of online shoppers say a poor delivery experience would prevent them from ordering from that online retailer again.

In South Africa, reliability and good value delivery are top considerations encouraging customers to make repeat purchases, according to the fourth annual South African Digital Customer Experience Report by Rogerwilco, ovatoyou and Julia Ahlfeldt CX Consulting. The report notes "the last mile is the only mile that matters" for customers, who wish online stores would offer cheaper or free, as well as faster and more convenient delivery.

With Black Friday only weeks away, Shimkin says online SMEs need to move fast to ensure their logistics support their profit goals and keep their customers coming back.

## 1. Start the right way

"If this is your small business's first Black Friday, now is the time to test whether your customer journey, payments and fulfilment processes work as expected," Shimkin advises. The first step is integrating a secure, easy-to-use payment solution into your site.

Consider factors like how you will ship your products without damage, and how you will deliver to remote regions, and plan accordingly.

"Do a few trials to test whether the shopping experience is easy and professional and whether your courier collects and delivers promptly," Shimkin suggests.

## **2. Think about pick and pack**

If your SME is still too small to have formalised warehousing with picking and packing processes, Black Friday sales volumes could come as a surprise, Shimkin says.

Plan now to have sufficient stock, packaging and waybills on hand, and line up friends or family to help you package orders quickly, if necessary.

## **3. Enable fulfilment transparency**

"Online customers – rightly – expect assurances before they click ‘buy’ that their orders will be delivered, and they want to know how long delivery will take and what it will cost," Shimkin says.

This information should be clearly displayed on the checkout page and reiterated, with a courier tracking number, on the emailed order confirmation.

"Now is the time to add that information to your site. Customers also appreciate updates when their parcels are on the way and when they have been delivered."

The memes showing people tracking their deliveries seconds after shopping online are based on reality, he notes. Most online shoppers are excitedly looking out for their parcels and will express their disappointment if there are hiccups.

## **4. Consider shipping costs**

Scaling your business depends entirely on growing your revenues and profits faster than your costs, but shipping costs can eat into profits, especially on lower-value orders.

Shimkin says: "While many customers hope for free or cheap shipping, some customers may be in a hurry and willing to pay more for the option of express shipping. We believe offering a variety of shipping options at appropriate rates gives customers the choice they want."

Adding a choice of shipping options to your site now can go a long way towards both covering the costs of shipping and ensuring happy customers over the Black Friday sales, he notes.

Delivery costs can be also managed by choosing the right courier for the task at hand. Some courier companies specialise in small, light goods and offer competitive monthly rates for large numbers of deliveries. If you're selling large and heavy

goods, you may need to source a specialist courier.

"Consider the services and capabilities of each service provider, such as same day/next day deliveries, comprehensive insurance, and integration into online shopping platforms. We have found that SMEs can benefit greatly from using a courier aggregator to help them get the best prices and services for their needs," he suggests.

## **5. Remember returns and refunds**

Finally, Shimkin says offering easy returns at no cost to the customer is important for customer satisfaction.

"Ahead of Black Friday, ensure that your returns policies are clearly displayed on your site, and build the costs of shipping returns back to you into your operating costs," he suggests.

He concludes by reiterating the importance of logistics for the success of online SMEs.

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