Best Ship Method

Give Customers Shipping Choices
and Save on Carrier Costs

Allowing customers to choose between high cost rapid fulfillment or least cost slower fulfillment not only empowers the customer but can improve service levels and reduce cost for the retailer.

Customer Choice

All retailers, even the giants, are competing on delivery timeframes; however, not all shipments are needed urgently. It is a good idea for retailers to take a closer look at how to balance fulfillment time versus cost. Allowing customers to choose between high cost rapid fulfillment or least cost slower fulfillment not only empowers the customer but can improve service levels and reduce cost for the retailer.

When given a choice, the customer will select the best option based on his or her needs; retailers should not assume faster is better and unwittingly take on unneeded higher costs or pass the costs on to the customer when the cost is not needed. Example: A pair of running shoes may be needed for a race this coming weekend or the shoes may

just be a pair the customer wants but does not need urgently. With Best Ship Method, the retailer oversees inventory and time and lays out what is possible in terms of delivery, and customers perceive they are in control by giving the choice of what is more important: cost or delivery timeframes. Give the customer options, set expectations, deliver on the promise and proactively communicate to the customer the state and status during the life cycle of the order. Currently, only Amazon does this.

> Amazon has been a game changing company in more ways than one. Free two-day shipping is a prime example: Retailers are realizing they must get on board or get left behind, but covering these costs and storing products in close proximity to consumers means tweaking logistics.
>
> *- Supply Chain Dive, June 6, 2017*

BEST SHIP METHOD

DC Locations

Sites	Inventory		
	Shoes	Socks	Laces
DC 1	23	61	5
Store 1	0	2	3
Store 2	3	0	0

Inventory Counts Per Location

CHECKOUT

1. Billing Information
2. Shipping Information

3. Shipping Method

MONDAY, 7/2/2018

Shipment 1:

Product 1: Shoes

Product 2: Socks

Product 3: Laces

Ship From:
Distribution Center #1
11555 N. Meridian St.
Carmel, IN 46032

Transit: 3 Business Days
Delivery Date: 7/5/2018

Shipment 1:

Product 1: Shoes

Ship From:
Store #2
100 Huntington Ave.
Boston, MA 02116

Transit: 1 Business Day
Delivery Date: 7/3/2018

Shipment 2:

Product 2: Socks

Product 3: Laces

Ship From:
Store #1
100 W. 33rd St.
New York, NY 10001

Transit: 1 Business Day
Delivery Date: 7/3/2018

Shipping Cost: FREE

Shipping Cost: $9.95

SELECT

SELECT

4. Payment Information
5. Order Review

**Best Ship Options Based on
DC Locations and Inventory**

enVista's Best Ship Method solution leverages complex shipping logic to:

1. Rate shop multiple-modes and carriers between multiple origins and a ship to destination in terms of cost and transit time.
2. Source inventory across a retail or distribution network to evaluate multiple permutations.

How It Works

Custom routing logic determines best ship options to provide to the consumer at cart checkout.

Our Best Ship Method solution provides retailers a real-time API call that applies complex sourcing logic to pick the right site (distribution center, warehouse, 3PL or physical store location) and the right number of item units from each site.

Enterprise inventory visibility

Once the items, in the correct number of units, are located, shipping costs are determined based on distance between inventory sources and the delivery address. Sometimes all items in an order are located at the same site, which may be further away from the destination, and sometimes the items may be located at different sites that may be closer to the end customer; both lead to different shipping costs.

Based on pre-determined business rules such as choosing sites based on least cost vs. least time to deliver, Best Ship Method, integrated with an e-commerce platform can immediately display shipping options, such as split the shipment to arrive earlier, and possibly at a smaller premium, or combine the order, slowing it by a day and saving money, to the end customer allowing them to select what suits their needs.

The Nudge.

Your customer is placing an e-commerce order for two items. When the customer gets to the shipping page during checkout, there are two options:

- Order arrives next day, at least one of the items, but in separate packages, with an additional fee
- Order arrives in two days in the same package, no additional fee

The customer is given a choice, getting to choose which is most important. Your "nudge" reduces costs and increases customer satisfaction.

Benefits of Best Ship Method include fast display of shipping information on e-commerce checkout pages, real-time knowledge of shipping costs, reduction of carrier costs and increased customer satisfaction. Important to customer experience is setting expectations and choice up front and then delivering accordingly.
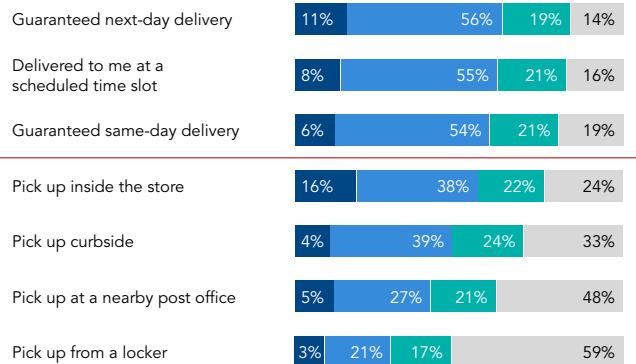
Conclusion

In today's digital commerce world, it is incredibly important to meet customers' expectations and empower them around time and cost. If you over deliver, you or the customer will pay higher transportation costs; if you under deliver, you can lose the customer. Best Ship Method solves both challenges.

And, it works. By enabling enVista's Best Ship Method, one of our clients increased their business by $3 million within six months. To reduce costs, order cycle timelines, increase customer satisfaction and deliver like the e-commerce giants, let's have a conversation.

"Which of the following best describes your interest level or usage of the following delivery options when shopping online?"

	Have used this in the past	Interested	Middle	Not interested
Guaranteed next-day delivery	11%	56%	19%	14%
Delivered to me at a scheduled time slot	8%	55%	21%	16%
Guaranteed same-day delivery	6%	54%	21%	19%
Pick up inside the store	16%	38%	22%	24%
Pick up curbside	4%	39%	24%	33%
Pick up at a nearby post office	5%	27%	21%	48%
Pick up from a locker	3%	21%	17%	59%

Source: The Top Retail Technology Investments in 2018, Forrester Research, Inc. May 2018

**Inventory Sources + Transit Cost
= Best Ship Method**

Consulting and solutions delivery is in our DNA. Let's have a conversation.™
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