

Your all-in-one
guide to delivering
your product!

 peach payments

Couriers, Costs, and Ecommerce

An introduction to logistics



An introduction to logistics

An integral part of building your ecommerce business is establishing a logistics chain that will bring your product together and get it to your customers. Your suppliers will most likely provide their own logistics options when you buy from them, so here we'll be focusing on selecting the right courier services to get your product delivered.

We'll be

looking at:

- (1) your product's specific needs
- (2) the most cost effective way to get it where it needs to go
- (3) how to integrate logistics into your online store so that both you and your customers get the best possible service.

But why is understanding logistics so important?

Identifying your product, building your store, and developing your marketing strategy, all seem like higher priorities on your build-a-business to-do list. However, logistics is one and the same with the very first step: identifying your product. Customers can't see or feel what you're selling, your product is nothing without its delivery.

Ambushing your customers with an unreasonably high delivery fee at checkout is the best way for you to fail to make the sale. Your customer isn't just buying your product - your customer is buying your product and its delivery. That's what they'll be worrying about at checkout.



Great customer experience has to be deeply entrenched in your business model. If you convert a sale but fail to earn your customer's trust in your brand during delivery, your chances of seeing repeat customers are low if not zero. The time between paying for a product and having it in their hands can be stressful, especially those new to the ecommerce world (like many South Africans).

In this book, we'll be diving into the nitty-gritty of every aspect of ecommerce logistics, raising important questions, and hopefully providing you with the answers you need to successfully launch and scale your ecommerce store.

Chapter 1 - Assessing your needs	4
Variety	4
Large and Heavy Goods	4
Small and Light Goods	4
Fragility and Insurance	5
Delivery Locations	5
Warehousing	5
Chapter 2 - Courier Partnerships vs Courier Solutions	6
Courier Partnerships	6
Courier Solutions	6
Types of courier solutions	7
Chapter 3 - Ecommerce integration	10
Manual Management	10
Platform Specific Integration	10
Flexible APIs	10
Chapter 4 - Customer Communications	12
Trust Assurance	12
Designing Your Purchase Email Sequence	12
Maintaining Support	13
Adding delight to deliveries	13
Refunds and Returns	13
Chapter 5 - From Checkout to Doorstep	14
Shopping Cart	14
Checkout	14
Confirmation	14
Stock update	14
Communicating stock to courier	14
Courier hand over	14
Parcel tracking	15
In Transit	15
Delivery	15
Review	15
Returns	15

Chapter 1 - Assessing your needs

Not all courier companies are alike, and to differentiate from one another, they'll often specialize in moving a certain kind of package at a competitive rate in order to stand out in the market. You'll need to consider the following before selecting the perfect courier for you.



Variety

For those with a diverse product line, a courier with diverse options is a must. Consider the various sizes and weights of your products. This should be thought through right at the inception of your business because inconsistent product size and weights are likely to be the most costly to courier, as you'll be unable to find a specialist that gives you the most competitive rate.

If this is the case, it may be better to employ a centralized courier sourcing service. Whilst you have to leverage the subscription fees involved against your overall cost savings, you may find they're still able to give you the most affordable rate for the time you spend handling the logistics of your delivery.



Large and Heavy Goods

The size and weight of your parcels and packages will have a significant impact on your courier costs, so it's vital that you calculate your courier costs if you're producing large and heavy goods. This can potentially be the most costly of any sort of courier fee, and miscalculations can eat away at profit margins and even find you working at a loss.

It's a good idea to prioritize sourcing a single courier. This will allow you to form a strong partnership and explore reduced fees in exchange for having them as your exclusive provider.



Small and Light Goods

Shipping smaller goods can have very little effect on your profit margins if done right. Like large and heavy goods, finding a single courier to partner with is likely your best option as you'll be able to avoid subscription fees from a centralized courier sourcing service.

Locker and branch deliveries like those provided by Pargo, DSV and Postnet is your best way to reduce your courier costs by the highest margin.



Fragility and Insurance

Whilst most courier companies can be trusted with moving fragile and valuable items, there are factors that need to be accounted for. Firstly, the packaging of your product will likely be more costly and it will thus be vital that you consider it as part of your manufacturing cost

Secondly, you'll need to source a courier that has a comprehensive and affordable insurance option. If your product is fragile but inexpensive to produce, you'll need to consider the cost of sending a new product to your customer versus insuring the product in transit. There's also the option of simply budgeting breakages into the cost of producing your product, and calculating your markup accordingly.



Delivery Locations

Depending on the nature of your product, it's possible that it has a high demand in remote areas. If that's the case, those customers have likely had trouble getting goods delivered to their location, or have paid exorbitant prices to do so.

Your best option in this scenario may be to use a centralized courier sourcing service that can find you the most competitive rate for a specific outlying area. You can absorb their subscription cost into your cost of sales and pass on the savings to your customers.



Warehousing

Warehousing needs can differ greatly depending on the type of product you're selling, your sales volume, and courier needs. Whilst your business is growing, you might function effectively working out of your garage or living room, but understanding how your courier partner will move stock from you to your customer is important all the same.

If you find yourself in need of a warehouse, you can find a courier service that offers warehousing services as well. This can mean greatly improving your logistics chain and help you keep track of your stock. Integrated courier services may come with stock management integration and automation. If you're importing finished products ready to send off, your logistics chain could benefit from automation in this regard, while you handle marketing and customer service.

Chapter 2 - Courier Partnerships vs Courier Solutions

A courier partnership means partnering with one or two courier companies to deliver your products, while courier solutions describe a business that is not in itself a courier company, but rather a centralized hub of couriers that finds the most competitive rate to deliver your product. There are pros and cons to each of these approaches and making the right choice can have a significant impact on your bottom line.

Courier Partnerships

A courier partnership is when you use a specific courier company to deliver your products. There are certain use cases where this is the most effective way to get your products delivered, depending on what sort of product you're selling, and how your product range differs from product to product.

Courier partnerships are best suited when you have a consistent product throughout your product range, i.e. your products are all of a similar weight, size, and fragility. The reason for this is that you only need to research the most competitive courier for products of your type, and once the right courier has been identified, you can trust that you're always getting the best price.

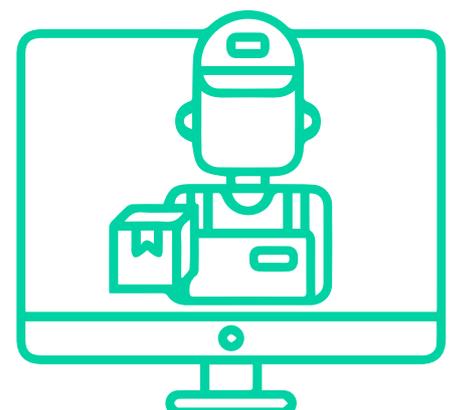
Here are all the factors you'll need to consider when deciding whether you'll choose a courier partner or not:

PROs:

- Delivery fees are handled between the courier and the customer at no cost to you
- The limitations of your logistics are thoroughly understood and can be disclosed to your customer, i.e. you will know the maximum size and weight your product can be in order to be delivered
- Partnering with a specific courier allows you to share their brand at checkout, instilling trust
- High delivery volumes may allow you to reduce the cost of logistics

CONs:

- You are limited to a single courier's rates which may fluctuate depending on the delivery type
- Your courier may not be ecommerce focused or have a plugin for your online store type (e.g. Shopify, WooCommerce, etc), making integration challenging
- Certain aspects of logistics may have to be manually managed



Courier Solutions

Courier solutions are signup services that help streamline the product fulfillment process by:

1. Searching for the lowest price/ quickest time your product can be delivered to your customer
2. Give you unique insights into your fulfillment process by collecting data, or
3. Improve relationships with your courier partner by sanitizing address information.

PROs:

- Always offer the most competitive rate
- Can be automated with custom integration
- Always ecommerce focused
- Always innovating

CONs:

- Monthly subscription fees/ extra fee per deliver

Types of Courier Solutions

UAfrica

UAfrica is a solution that identifies the most competitive courier price for a specific delivery. They offer advanced tracking and management systems so that you can better understand exactly how your courier fees are being structured, how and where your parcels are being delivered, and deep insights through data analysis.

UAfrica subscriptions work as follows:

Blue: R99 monthly subscription

- Standard uAfrica Shipping Rates*
- Up to 10,000 products
- 50 Orders per month
- 2 Sales channels
- 1 User account

Bronze: R299 monthly subscription

- Up to 5% discount on standard uAfrica rates*
- Up to 25,000 products
- 250 Orders per month
- 3 Sales channels
- 2 User accounts

Silver: R799 monthly subscription

- Up to 10% discount on standard uAfrica rates*
- Up to 50,000 products
- 750 Orders per month
- 5 Sales channels
- 5 User accounts

Gold: R1999 monthly subscription

- Up to 15% discount on standard uAfrica rates*
- Up to 100,000 products
- 2,000 Orders per month
- 10 Sales channels
- 10 User accounts

ParcelNinja

ParcelNinja is a courier solution that automates fulfillment for ecommerce businesses with a large amount of stock. This applies especially to those who need to stock their goods in a warehouse and need to manage selecting a product from a product range. ParcelNinja also offers packaging services, meaning that once your product reaches their warehouse, you no longer have to worry about how your customers' order will be fulfilled. It's simply a matter of producing your product, handing it over to ParcelNinja, and waiting for your orders to come in. Fees for using ParcelNinja's service depend largely on how much stock and packaging you will require.

Scrubbill

Scrubbill is a delivery management service that charges a fee per delivery. It lets you:

- Manage your online orders
- Set them for delivery
- Automatically fulfill orders
- Facilitate the partnership with your couriers
- Saves the admin and hassle of chopping and changing between couriers looking for the cheapest bid and instead focuses on a long-term partnership.
- Negotiate better rates with their chosen courier based on the time and money saved by using the ScrubBill system

Platinum Courier: Free per waybill

- 20+ Available couriers
- Unlimited waybills
- Unlimited users
- Simple pick & pack
- Automated fulfillment
- Returns module
- Automated tracking
- Full support

Standard Courier Group 1: R4.00 per waybill

- 5 Available couriers
- Up to 100 waybills pm
- 3 User accounts
- Simple pick & pack
- Automated fulfillment
- Returns module
- Automated tracking
- Full support

Standard Courier Group 2: R3.50 per waybill

- 5 Available couriers
- 100 to 1000 waybills pm
- 3 User accounts
- Simple pick & pack
- Automated fulfillment
- Returns module
- Automated tracking
- Full support

Chapter 3 - Ecommerce integration

Courier companies and third party service providers are stepping up to meet the rising demand of delivery fulfillment pouring out of the ecommerce sector. While major courier companies are offering direct ecommerce integration, some of the smaller service providers are yet to do the same, often because their main goal is to keep costs down wherever possible. With your products delivery needs assessed, you can now consider the best way to integrate courier solutions into your site.



Manual Management

If you're running a small ecommerce business with a low sales volume and you're still finding your feet, you may be manually sourcing courier services per sale with an approximate of what it will cost built into your markup. It may also be that you run a brick and mortar store where products are usually picked up on site with logistics arrangements as an afterthought. In either case, it is highly recommended that you move away from this practise as soon as possible. Integrating shipping fees and courier services directly into your checkout process not only helps you better understand what your product costs to customers, but also adds a sense of transparency that helps customers build trust with your brand.

When customers have to pay separately to have their product delivered, it feels like a hidden cost that they did not agree to, which reflects poorly on your brand. Most importantly, it can be time intensive and even costly (if you're unable to spend an hour or two comparing quotes), and perhaps even altogether unnecessary. Many courier companies will provide a free plugin for your online store, meaning that all it takes is finding the right company for you and following the directions they provide.



Platform Specific Integration

If you're using Wix, Shopify or Wordpress for your online store, platform specific plugins are most likely the best solution for you. Courier companies and solutions are likely to provide easy to use plugins that will have you up and running quickly and effectively. They will provide all functionality, integrated into your checkout process.

Most courier solutions will provide this service for the big ecommerce platforms, but some traditional couriers will not. Before selecting a courier company to partner with, be sure to check whether they are ecommerce friendly. This functionality should be considered a higher priority than overall price, as without it, you'll have to return to the time intensive manual courier management, which will ultimately deter your business' ability to scale.



Flexible APIs

Your first communication to your customer does not happen through an email, but rather through how your online store appears to them. A poorly designed website will immediately dissuade your customers from making a purchase as there is always the fear that an ecommerce store might be a scam.

If you're still finding your feet in the world of ecommerce, it's unlikely you'll need to go this route as you will need to hire a developer to set this up for you. If you have big plans to scale quickly and have capital available to lay down this infrastructure, you might find APIs useful because you won't need to switch to this form of integration later down the line when your business scales up to enterprise level.

Courier Comparison

	Shopify	Wix	Woocommerce	Magento	PrestaShop	OpenCart	API	Other	Only Manual
Courier Guy	No	No	Yes	No	No	No	Yes	No	
Ram	No	No	Yes	Yes	No	No	No	No	
Dawn Wing (DPD Laser)	No	No	No	No	No	No	No	Integrates through UAfrica	
GlobalFlight									Yes
Fastaway	Yes	Yes	Yes	Yes	Yes	No	No	No	
Internet Express	No	No	No	No	No	No	Yes	No	
DSV Lockers									Yes
Postnet to Postnet						No		BidorBuy	
Pargo	Yes	Yes	Yes	Yes	Yes				Yes
DHL									Yes
Pickup	No	No	No	No	No	No	Yes		

Chapter 4 - Customer Communications

Just because a purchase has been successful doesn't mean your responsibilities as an ecommerce business are finished. Regardless of who you select as your courier company, your customers will still associate service delivery with your brand. It's vital that you maintain communications with them until their journey is complete.



Trust Assurance

Your first communication to your customer does not happen through an email, but rather through how your online store appears to your customer. A poorly designed website will immediately dissuade your customers from making a purchase as there is always the fear that a ecommerce store might be a scam.

Make sure your user interface ("UI") and user experience ("UX") is at a professional level. UI describes the visual appearance of your site, the graphics, the colour scheme and branding. UX describes the layout of your site, how users interact with buttons, how they move from one page to another, and most importantly, how they select their product and checkout.

When you integrate your courier service or solution into your site through a plugin or API, you transfer the trust from a familiar service to your own business. For example, thanks to their extensive advertising, RAM is a household name. Help your customers have faith in their goods arriving by putting RAM's logo in the checkout process.

For more information on building trust assurance throughout your ecommerce business, take a look at our article feature on My Broadband: <https://mybroadband.co.za/news/industrynews/412342-building-trust-in-your-online-brand.html>



Designing Your Purchase Email Sequence

Your business should invest in a comprehensive automated email sequence that updates your customer on where their product is in the delivery process (You shouldn't worry about over-communication here). Many ecommerce platforms and courier services offer some sort of communication process, but we also recommend signing up for Mailchimp or a similar service and integrating it with your website.

Typically, this sequence will consist of the following:

- A payment email to indicate that your customer's purchase has been successful, accompanied by an invoice or receipt
- A confirmation email that assures your customer that their purchase has been allocated to a stock item and that their delivery is being prepared
- An 'It's on its way' mail to let your customer know that their purchase has been handed over to the courier. Ideally, this mail will include a tracking number that your customer can use to track their delivery.

- An 'It's arrived' confirmation mail to show that your business and the courier company is in-sync, which can also include a link to provide a review for your business



Maintaining Support

Whether you're all in with your ecommerce business or using it for passive income, responding to support emails in a timely manner is vital. Failure to communicate when your customer reaches out to you is at best going to get you a bad review and at worst, a refund request. If you can't respond at all hours of the day, make sure you have an automated email response explaining the timeframe in which they can expect you to reply.



Adding Delight to Deliveries

Adding a special or unexpected touch to your deliveries can build a meaningful relationship with your customers and put you in a better position to get a positive review. A hand-written note, a discount voucher mentioning your appreciation, a piece of branded merchandise — anything that shows that you see your customer as more than a sale and you care about them returning to your store can make a big impact.



Refunds and Returns

Your refunds and returns policy needs to be clear on your site so that your customers have the opportunity to review what they're engaging in. You'll also need to be aware of South African laws such as the Consumer Protection Act, and know your responsibilities in line with them.

Unless your product is an expectation to the respective laws, you'll most likely be obligated to offer a return system. It's vital that you understand the logistics costs involved with returns and understand how that cost will affect your bottom line.

Chapter 5 - Customer Communications

Once a sale has been made, you, your product and your customer begin an interactive journey that builds trust and confidence in your brand and professional functionality of your store. These steps are non negotiable and if you find that you're missing some, you may find your ecommerce business functioning for now, but it will breakdown as you try to scale it.



Shopping Cart

Alongside the cost of the product and delivery, the customer should get a rough estimate of how long their delivery will take and various delivery options such as same day delivery, next business day delivery or standard delivery with respective prices. A final total should be tallied up so that your customer knows exactly how much they're paying.



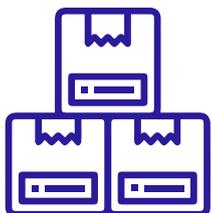
Checkout

Manual courier management will always be a red flag to users because they expect the courier fees to be included in their checkout, and receiving a follow up mail or call after purchase to make a secondary payment for their delivery will seem unprofessional. Payment needs to be processed through an online payment gateway or a payment link, so ensure you choose an online payment gateway like us that offers a full range of payment options and methods. For example, many consumers don't use credit or debit cards, so offering EFTs or digital vouchers can increase your customer base. Also, buy-now pay-later options like Mobicred and Payflex have become very popular, so savvy entrepreneurs are using this payment method to increase conversion rates at checkout.



Confirmation

Now that the sale is complete, your automated email should let your customer know that their purchase has been successful with a receipt and expected delivery date. If you have an integrated courier plugin, this should trigger a follow-up mail giving them more information about the delivery.



Stock update

Ecommerce-focused website builders are likely to have built-in inventory updaters or a plugin that can help you manage the process. If you fail to have a real time inventory management system that syncs with your site, you open up the possibility of selling stock that you don't have. This may lead to delayed deliveries, refund requests or chargebacks, which can severely affect your bottom line (especially when you have a low profit margin on your product) and damage your brand.



Communicating stock to courier

With a courier service or solution integrated into your site, your sale should automatically book a courier to collect your product from your warehouse.



Courier hand over

Upon pickup, your courier integration will be able to trigger an automated email informing your customer that their order has been dispatched. It's likely that the courier will drop your product off at a depot before sending it off to your customer.



Parcel tracking

Once your product has been handed over to your courier, the courier should assign a tracking number to the parcel. Your integrated courier service will provide you with this information which can be included in the email mentioned above.



In Transit

For the most part, this stage will be handled between your customer and the courier. You may find your customer contacting you about the state of their delivery, at which point it's recommended that if you can, you take it upon yourself to check in with the courier to get an update, rather than telling your customer to do so.



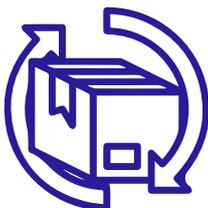
Delivery

Once your product has been delivered to your customer, your integrated courier service will send you a notification which can trigger another automated email to inform your customer that you're aware of the delivery, and to follow up on any queries they may have.



Review

Now is the perfect time to request a review from your customer. It is highly recommended that you have a post-delivery automated mail set up to request a review. Google business reviews and [HelloPeter](#) are the best places to direct your customer to, and if your customer journey has followed the steps mentioned above, you should find yourself with a trustworthy rating in no time.



Returns

Returns can be the most challenging aspect of the journey you and your customer have just taken. On the customer end, the product they ordered has not met their expectations, and on the business end you'll be taking a hit to your bottom line. Unless you're a major retailer with stores across the country, it's likely that you'll have to foot the bill for a courier to return the product to you, and in the case of breakages, send through another product. It's important to handle returns professionally as your customer's interaction at this point can dictate whether they return to your online store at a later date, or go on a social media tirade.

Courier Costs in Ecommerce

	Hand to Hand	Customer Rating	Standard Service Max KG	Standard Service Max Dimensions	Local 1kg 20x20x20	Local 5kg 10x10x10	Local 10kg 50x50x50	Local 30kg 50x50x50	Local MAX	Main Min - 1kg 20x20x20	Main 5kg 10x10x10	Main 10kg 10x10x10	Main BE 10kg 50x50x50	Main MAX	Regional Min - 1kg 20x20x20	Regional 5kg 10x10x10	Regional 10kg 50x50x50	Regional 30kg 50x50x50	Regional MAX 30kg	UK MIN	UK MAX	CHINA MIN	CHINA MAX	USA MIN	USA MAX	Warehousing	Same day option	Next day option
Courier Guy	Yes		25kg	Supplied box or satchel	R65		NA	NA	R65			NA	NA		R265	R265	NA	NA	NA	NA	NA	NA	NA	NA	NA	No	No	No
Ram	Yes	2.1	30kg	120x60x60	R52	R64	R124	R139	R307	R62	R78	R98	R98	R158	R67	R91	R211	R241	R577	1,028.77	13,808.54	1,258.91	17,179.34	1,064.87	15,086.12	Yes	Yes	Yes
Dawn Wing (DPD Laser)	Yes	2.1	30kg	75x50x39	R80.5	R80.5	R80.5	R80.5	R228.65	R228.65	R228.65	R228.65	R228.65	R228.65	POA	POA	POA	POA	POA	NA	NA	NA	NA	NA	NA	No	No	No
GlobalFlight	Yes	3.5	Unlimited	Unlimited	R113 (ex VAT)	R117.38	R142	R142	R822	R113 - R177	R158	R182	R182		R13 - R177	R158	R182	R215	R822+	Price on app	No	No	No					
Fastaway	Yes	2	30kg	NA	Std R75 Freq R43	Std R75 Freq R43	Std R75 Freq R43	Std R75 Freq R43	Std R75 Freq R43				Regional 15kg = R15 for every extra R5kg	30x30x30 MAX			30x30x30 MAX	30x30x30 MAX	30x30x30 MAX	NA	NA	NA	NA	NA	NA	No	No	No
DSV Lockers	No	Unlisted	NA	40x30x19	R95	R120	NA	NA	R120	R90	R90	R90	R90	R90	R90	R90	NA	NA	R120	NA	NA	NA	NA	NA	NA	NA	NA	NA
Postnet to Postnet	No	Unlisted	15kg	50x40x30	R99	R99	R199	NA	R299	R99	R99	R199	R199	R199	R99	R99	R199	NA	R299	NA	NA	NA	NA	NA	NA	No	No	No
Pargo	Yes	4.8	15kg	NA	R139	POA	R139	NA	R139	POA	R139	R139	R139	R139	POA	R139	R139	NA	NA	NA	NA	NA	NA	NA	NA	No	No	No

Thank you

At Peach Payments, we build payment products for entrepreneurs. We pride ourselves on providing a seamless experience for your customers, world-class customer service for you, and enterprise-grade security for your business.

We're here to help you scale

- No Monthly Fees or Setup Fees
- Easy to start with your new store
- Shopify, Wix, Woocommerce plugins
- Automated weekly settlements
- Phone and email support
- Accept local & international cards, EFT, Masterpass and Mobicred

Visit www.peachpayments.com
to get plugged into Peach Payments.

