

# **How to Improve Delivery Ratio/Return Ratio and Reduce Failed/Fake Returns in Pakistani eCommerce**

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# Introduction:

A short course on how you can reduce failed deliveries and cover up your Delivery Ratio for Ecommerce businesses. This course highlights key points and mistakes which become the main failure reason for many ecommerce businesses but if those key points are addressed and covered properly, they can make a huge difference on business outcome. This course will be covered in 7 chapters as highlighted in the Table of Content.

## CH#1 - Expectation & Reality

Let's discuss it first, what should be your Expectations and what actual reality is, what are acceptable delivery Ratio percentages for different businesses and where you stand and what can you do to overcome it.

### 1. Delivery Ratio Acceptable Percentages:

Majorly depends on Product type, Sale Channel and eCommerce Business Model i.e. Private Label, White Label as outcome for each model differs from others having different levels of control over their business.

#### 1) White Label Delivery Ratio:

White Label can be defined as a model in which you are working on products that are non-branded and 2 or more people are working on that same product. Acceptable Delivery Ratio Percentage ranges for this model varies from **75%** to **90%**. The average achievable is **80%** while the bare minimum of **75%** is what you can hold on and below that means you have to improve.

Keep this in mind that regardless of if you hold your own inventory or you are working on a dropshipping model, if your delivery ratio in white label is below 75%, it means there is definitely some space left by you which needs improvement and for that you cannot blame courier or audience. Either drop the business or target achieving 80% Delivery Ratio.

#### 2) Private Label Delivery Ratio:

Considering you own a Private Label Brand having proper customer support, 90% or 92% is the highest achievable delivery ratio and this is being stated on the basis of studying established brands in Pakistan.

Other scenarios of achieving 90% delivery ratio can include having highly connected specific audiences, example for that can be running an Instagram profile.

Our take on this is 80% Delivery Ratio should be your target for White Label, if you aren't achieving it, find solutions. Don't worry we are going to discuss challenges and their solutions in next chapters and even after working on those challenges you are unable to achieve targeted Delivery Ratio then get back this isn't your plate to take, drop the business.

## **2. Delivery Time:**

People mistake the delivery time with when a shipment was delivered, but that is not right. Attempt time is the actual delivery time. You handed over the shipment to the courier. It took 2 days for the shipment to reach the destination city and on the 3rd day after you dispatched that shipment, the courier attempted for the delivery. This duration of 3 days will be counted as actual delivery time regardless of if that shipment got delivered or not. failing to deliver is a different matter and should be dealt with by properly inquiring from your customer and courier for the reason of failed delivery and then subsequent efforts should be made to deliver that shipment on the very next try. Matter of concern is that you should know on the 3rd day that there was an issue so you can further take action instead of waiting for 10 days and later knowing that it failed to deliver.

## **3. Role of Courier Companies:**

Clearing the confusion, the Courier role isn't much except if you are providing them with the parcel timely with correct details, their job is to process it timely but you should be aware of the processing time expectations and challenges. Regarding fake attempts, it's your role to have a courier under pressure.

But keeping stats and figures in mind, If you are doing things on the level we are going to define in next few chapters then these challenges on the courier side just remain under 15% to 20% which cannot be minimized. Rest of the 80% is under your control.

## **4. Role of HHC Dropshipping:**

Know the difference that HHC Dropshipping is not a courier company but a platform that is providing lots of features and a structured system that you can utilize to run your ecommerce business from the comfort of your home. Among these features, one is providing multiple courier options. Now you utilized one of these couriers and dispatched an order and got delayed or failed to deliver on the first attempt, what should be your course of action? Should you sit back and blame HHC Dropshipping? No, instead your concern should be to properly report the issue to HHC Dropshipping so they handle the courier.

HHC Dropshipping as a platform provides you with enough information in the form of live tracking statuses with each shipment status history so you can know where time lapse or problem occurred. Not only that, as a platform HHC gives you direct access to submit re-attempt requests if a parcel fails to deliver after multiple attempts.

With multiple hubs, detailed reporting and transparent ratings such as Supplier Cancellation Ratio (SCR), On-Time Arrival Ratio (OTR), Product Dissatisfaction Ratio (PDR) and Supplier Dissatisfaction Ratio (SDR), HHC as a platform, provides you with enough data to influence a calculated and correct decisions. Add in the active support part and it becomes the perfect platform for you to run your ecommerce business from the comfort of your home.

# CH#2 - Delivery Time Common Misunderstandings

Misunderstandings with delivery time, proper order tracking and updating customers along with Shipper advice will be discussed in this chapter.

## 1. Delivery Time Misunderstandings:

Regardless of being a beginner or a professional, It's very important for you to track each and every order and understand each of the courier status's meaning. If it says "Arrived at Origin" you should have a clear understanding of what it is and how long it should stay at this stage, if it's there for more than 1 day, you should know that there is a problem, why it's not processing further. Note and report it timely to the courier.

Don't get the wrong idea that the order fulfillment process will go very smoothly and you just have to sit back and relax. NO! you have to closely monitor and act where required.

What happens when you don't track your orders and only wait for them to be marked delivered is that you get the wrong picture on delivery time. Now imagine you dispatched 1 order to Islamabad from Karachi, it took 2 days in-transit and now it's out for delivery, the rider went to the address but couldn't find the exact location neither was he able to contact the consignee. The courier will mark it as Unsuccessful delivery and will schedule another attempt for delivery on the next day. Here's the catch now, since you are not aware about the situation as you are not tracking the order, you won't act, you won't coordinate with the customer and courier to resolve the issue. The courier will attempt again on the next day and possibly the same problem can occur again, and the next thing you know is, the order is being returned.

Hopefully you got it now, tracking each and every order and understanding Courier Status's meaning is very important which makes you able to identify the problem and if you find a problem, coordinate with customer to obtain any extra information and duly submit it to the courier via effective communication channel most commonly which are Shipper Advise/Shipment Reattempt Requests or any other form of support channel.

## 2. Update Your Customers:

Establish a method or way to update your customer and convey shipment tracking information. From order placing to delivery, it's very important for you to remain in contact with your customer. Prepare customizable messages to send on the go. If you get an order from Lahore, let him know that you will be contacted by the delivery rider within 2 to 3 days. If you got an order from a remote area(village or small towns) let them know that it can take upto 4 or 5 days for order to reach their area so prepare to receive it accordingly.

As customers/consignees are more excited for the things they have ordered online, they will be more interested in knowing the status of shipment and when you provide them these updates beforehand they will indirectly build trust on you and excitedly wait for it to arrive

### **3. Shipper Advise/Shipment Reattempt Request:**

When attempting for delivery, if courier fails to deliver it on first or second attempt due to any reason (consignee not available/someone from consignees home mistakenly tells rider that parcel is not required or any other reason) then courier puts it on "Shipper Advise/Reattempt Request" Status to give the shipper(You) an option to coordinate with the consignee and make it sure that they still require that parcel. In that case the courier puts this decision on you to have them attempt one more time for order delivery.

Your duty is to then properly coordinate with your customer, obtain any extra information if required, provide it to the courier and tell them to try again. Note that this option is given by courier for 24 hours approx.

This, by any means, does not give the surety that a parcel will be delivered, but it's purely an attempt at trying again, so understanding this is very important.

#### **3.1. TRAX - Shipment Validation Required vs Shipper Advise Requested:**

Trax recently has integrated an additional layer of validation for shipments marked in Shipper Advise before they are being returned. They have divided these shipments into 2 categories:

##### **3.1.1. Shipment Validation Required**

When shipment appears on this status, it means that TRAX's own customer support has already contacted your customer to know if that customer still requires the parcel and should they attempt for the delivery again after they have already attempted twice or thrice. No action is required from your side.

##### **3.1.2. Shipper Advice Requested:**

This works normally as you will have to act on your own and contact your customer to inquire and know if they still require the parcel, subsequently you then submit the request for reattempt to the courier.

# CH#3 - HHC Dropshipping & Courier Shipment Status Guide

As discussed in the previous chapter, understanding and having knowledge of different Courier Statuses is very important, as this helps you in identifying the problem and its possible solution. Lets have a look at common Shipment Statuses of Couriers and HHC Dropshipping

## 1. HHC Dropshipping Shipment Statuses:

HHC Status	Explanation
Pending payment	If you have placed order using advance payment option then this will not proceed and remain on this status until you pay the due amount and inform the support team via support ticket
On hold	This status appears when there is any mistake in your order which is automatically identified by the system i.e duplicate order, low sell price etc. or it can be due to any other system fault as well. This order will not proceed and will get canceled after an identified amount of time has passed unless you inquire from the support team and provide a valid reason to process this order.
Processing	Order is being processed. usually takes 10 to 15 minutes before moving to next status which is "Booked"
Booked	Order is automatically booked on courier and its tracking id has been generated. You have the option to cancel it at this stage before HHC starts the process for its dispatchment.
Ready for Pickup	Supplier has readied your product and a representative from HHC has to go and pick it. usually gets updated in a couple of hours to the next status.
Arrived At HHC	Product is now at HHC's Facility for packing and further handing over to courier. processed within the same day in a couple of hours.
Dispatched From HHC	Shipment has been handed over to the courier. gets updated within the same day.
In Transit	Shipment has been scanned at couriers' facility and duly dispatched to the destination city
RCP	Courier has made multiple delivery attempts but failed to deliver the shipment, so before returning it to origin they let the shipper decide for 1 more delivery attempt, Shipper then either confirms it for return or makes a re-attempt request after coordinating with the dropshipper.
Delivered	Parcel has been delivered to the consignee/customer.
Return In Transit	Shipment is being returned after multiple failed attempts for delivery and now is enroute to origin
Return Received	Shipment is delivered back to the shipper.
Canceled	Order has been canceled and will not be dispatched.

## 2. Trax Shipment Statuses:

HHC Status	Explanation
Shipment - Booked	Shipment is booked on Trax Portal and Tracking ID has been generated usually gets updated to next status in few hours if shipment is handed over to them
Shipment - In Transit	Shipment is scanned at Courier's Origin Facility and duly dispatched for destination city. For major cities, maximum time for status is 2 to 3 days and for remote areas 5 to 6 days depending on the location. If it takes more time, contact their support.
Shipment - Arrived at Destination	Shipment has arrived at destination and will be aligned for delivery sooner.
Shipment - Out for Delivery	Shipment is handed over to the rider and sooner he will contact and coordinate with the consignee for shipment delivery. it either gets updated to Delivered or Unsuccessful status within the same day, there is no inbetween, so if this status remains for more than 1 day, contact courier's support to inquire the reason.
Shipment - Delivery Unsuccessful	For some reason, the delivery attempt was unsuccessful. Possible reasons could be address not found, unavailability of consignee at given address, contact not established with consignee, extreme weather situation or any other event.
Shipment - On Hold	Contact was established but shipment was put on hold for later delivery or self pick up from the courier's office. Coordination with consignee is recommended to cross verify this.
Shipment - Validation required	After multiple failed delivery attempts and before returning the parcel back to shipper, Trax Customer Support calls to consignee for confirmation and if the consignee shows interest, shipment is again aligned for 1 more delivery attempt.
Shipment - Shipper Advice Requested	It is Similar to "Shipment - Validation Required" status with one major difference. Shipper himself has to contact the consignee for confirmation and submit a request for reattempt.
Shipment - Re-Attempt Requested	Reattempt has been requested and sooner arrangements for shipment delivery will be made.
Shipment - Re-Attempt	Re-attempt request is processed and Shipment is Out for Delivery
Shipment - Delivered	Shipment is being returned after multiple failed attempts for delivery and now is in enroute to origin
Return - Confirm	Shipment has been delivered to the consignee/customer.
Return - In Transit	Shipment is being returned after multiple failed attempts for delivery and now is enroute to origin
Return - Arrived at Origin	Shipment has returned back to the origin
Return - Dispatched	Shipment has returned to origin and dispatched for delivery to the shipper
Return - Delivered to Shipper	Shipment has been handed over to the shipper.



### 3. Leopards Shipment Statuses:

HHC Status	Explanation
Shipment Scanned In LCS Facility	Shipment is scanned at Courier's Origin Facility and duly dispatched for destination city. For major cities, maximum time for status is 2 to 3 days and for remote areas 5 to 6 days depending on the location. If it takes more time, contact their support.
Arrived At Station	Shipment has arrived at destination and will be aligned for delivery sooner.
Assigned To Courier (Out For Delivery)	Shipment is handed over to the rider and sooner he will contact and coordinate with the consignee for shipment delivery. it either gets updated to Delivered or Unsuccessful status within the same day, there is no inbetween, so if this status remains for more than 1 day, contact courier's support to inquire the reason.
First Attempt In Forward Leg	For some reason, the delivery attempt was unsuccessful. Possible reasons could be address not found, unavailability of consignee at given address, contact not established with consignee, extreme weather situation or any other event.
Second Attempt In Forward Leg	Similar to "First Attempt In Forward Leg" second attempt for delivery is also failed
Shipper Advice	After multiple failed delivery attempts and before returning the parcel back to shipper, Leopards lets the shipper decide for 1 more delivery attempt, shipper then has to confirm a Re-attempt request after coordinating with the consignee.
Delivered (Terminal Status)	Shipment has been delivered to the consignee/customer.
Ready for Return	Shipment is being returned after multiple failed attempts for delivery and now is in enroute to origin
Arrived At Station AR	Shipment has returned back to the origin
Assigned To Courier (Out For Delivery) AC	Shipment has returned to origin and dispatched for delivery to the shipper
Delivered to Shipper (DS)	Shipment has been handed over to the shipper.

# CH#4 - Understanding Location Science and Delivery Time

The most important and critical part which most Dropshippers and eCommerce Entrepreneurs overlook is location science and how it affects shipment delivery times. In this chapter, we will discuss things such as Address issues, verifying village addresses from google maps, spelling issues in city/area name and Zilla vs Tehsil difference.

## 1. Location Science and Delivery Times:

There are 2 important things which need to be cleared, Role of HHC Dropshipping vs Courier and second is what is the actual delivery time. Let's clear up the first confusion. HHC Dropshipping and Courier's Role. HHC has a Dispatch time, You placed an order before 10 am, it is supposed to be dispatched by the day end. 98% percent parcels are dispatched the same day. if 1 or 2 parcels are delayed, they are already reflected in the Supplier's OTR Ratings.

Now coming to the second part, The most asked question by many is "What is the delivery Time?" This relates to the courier and destination distance. If it's a major city (Karachi, Lahore, Islamabad) the maximum time from dispatch to first delivery attempt is 2 to 3 days. An important thing to note here is actual Delivery time is identified by time spent between dispatch to first delivery attempt. Most people mistake the delivery time with the time taken to deliver a parcel, while actually it's the time taken to make the first delivery attempt. That is the courier's actual delivery time regardless of if the parcel is delivered or not. Here you have to be observant of the situation and in case of unsuccessful delivery, take measures to make sure shipment is delivered the next time a delivery attempt is made.

For remote areas, like villages or small towns, delivery time depends on how further the location is from the courier's main operational offices and their working routes. 5 to 6 days is roughly the time taken to make a first delivery attempt in remote areas. Note that if a parcel has arrived at its destination, it is not supposed to be attempted for delivery the same day, at least it's not always the case. As villages are located further and remote, shipments are prioritized as per the number of parcels and nearest locations. So if your parcel is not assigned for delivery today, it may be scheduled for delivery the next day.

Our Suggestion regarding remote areas is to exclude them from your marketing campaign in the first place in order to avoid unnecessary hurdles and consumption of time, effort and human resource for a very little reward.

## 2. Address issues:

One more problem associated with remote areas and small towns is due to lack of infrastructure they don't have proper addresses marked. So you have to do extra verifications and obtain more information related to address location such as nearest landmark.

One may say that customers provide their contact number for the same reason as when a rider is coming for shipment delivery, he can contact and inquire about the location. But this is not the case, you cannot expect anyone to pick up the phone anytime you call them. Try calling 10 different persons and you may only end up talking to roughly 5 of them in the first attempt. So don't rely on contact information only, ask for more relevant address information to exactly pinpoint the location. Always ask for the nearest landmark i.e Famous Stop, Mosque, School or any other noticeable thing. if you see a little hesitation avoid dispatching that order.

Again, this extra effort taken to obtain address verifications and then continuous coordination with the consignee is the reason why we always recommend avoiding remote areas. Still, if you have to, Experiment first and maintain data on Major Cities vs Remote Areas Orders, you will see the difference between time, effort and resources spent vs profits you are gaining. Working on a small level in major cities is better than having huge orders from remote areas with an uncontrollable delivery ratio and loss.

## 3. Verifying Village Addresses from Google:

Lets have an example of Shahdadtown which is a small town in Sindh. IF you look on google maps, you will see the closest major city to this town is Larkana which is located at a 51 kilometer distance. if you talk about distance, having a distance of 10 to 15 kilometers is huge within the same city or district between courier's offices. Compared to that, 51 kilometers is too much to ask for. What to do in this situation then?

Verify the courier's presence in Shahdadtown from google if there is an operational office located in the town. Sometimes Offices are marked in the area on maps with citation that they are permanently closed but most people overlook this information. Check in Courier's City list and only select Shahdadtown if it is present instead of any nearest city, otherwise skip that order.

Shipment Delivery chances in remote areas are 50/50. So it's on you to take risks and go with the order or avoid a potential loss. What we described here is avoiding is better considering the time and effort it takes vs high chances of failed delivery and loss.

## 4. City Spelling Confusions:

Always be careful when selecting cities from courier's list as you will find plenty of examples of different cities with the same spellings. An example of this is Mirpur. There are at least 3 different cities with the same name, which are,

1. Mirpur Mathelo
2. Mirpur Khas
3. Mirpur AJK

Now most people often make this mistake of selecting the wrong city by overlooking the complete name in a hurry and later blame the courier for mis-routing their shipments. Here having a focused mind while booking the shipment on courier will save you from unnecessary delays or unsuccessful shipment delivery

As there is no standard defined, you will find different spellings of the same city on different couriers. If "Safdarabad" is spelled without a space between prefix and suffix in Trax's city list, it may be present with a space in Leopard's City list like this "Safdar Abad". So whenever you are unable to find your desired city in a courier's network list, it's better to have a second look by changing the spellings or adding space after prefix in city/area name.

## **5. Zilla (District) vs Tehsil:**

Another confusion and an overlooked part in the addresses is failing to identify the Tehsil and Zilla difference and failing to select the actual city where shipment is supposed to be delivered. If you talk about Faisalabad district(Zilla), there are multiple small towns and cities located in that district and Faisalabad is a city in itself.

Lets have an example of Wah Cantt, which is a part of Taxila Tehsil and its district is Rawalpindi. Now if you got an address specified as "House no # xyz, ABC Town, Wah Cantt, Rawalpindi". Here, you will be wrong to select Rawalpindi as City because Wah Cantt is a well known Town and present in Courier's Network list. Selecting Rawalpindi will most definitely result in mis-routing and possible failed delivery of the shipment.

# CH#5 - Product Selection, Demographics and Audience Quality

## 1. Product Selection and Demographics Relation:

Product and Demographics are closely related when it comes to ecommerce. Audience across Pakistan is divided into different classes forming demographics of the low quality audience and high quality audience. These audiences are attracted to Products of their interests. A low quality audience will always be attracted to low priced cheap quality gadgets promising features which are not possible with their price tag. You will find such a low quality audience mostly in the remote areas. While a high quality audience makes much more sense when attracted to products available at the right price with features understandable in that price tag.

Another factor affecting your audience is your targeting strategies in your marketing campaigns. Selecting the right target interests, age and developed areas with the right product is a matter of high concern when it comes to achieving a good delivery ratio. By Concluding this, we can say Your product selection and targeting highly impacts the audience attracted to your product and subsequent Delivery Ratio.

## 2. Why Audience Quality Matters and How it Affects Delivery Ratio:

Let's talk about the audience quality in little more detail. Consider a lower class audience living in a remote area, ordering an item priced at Rs.1500, thinking that this gadget will do wonders for him. Now the first challenge is to successfully deliver this item having known the challenges faced in remote areas as described in previous chapters. As this audience is not experienced with online shopping, they will show hesitation and make excuses while receiving their order. By chance if they do receive it, their impression of the product will be very bad considering their high hopes of the product at that low price. This very much will result in either failed delivery or a refund case meaning a definite loss and high return ratio.

Now talk about Middle Class or Upper Middle Class Audience, considered as a gold mine for eCommerce Entrepreneurs, these audiences are much more experienced with online shopping and are cooperative while providing contact and address information. Also they make proper arrangements to receive their parcel even if they themselves are not available to receive it. Imagine having found such an audience and targeting them with a quality product at a right offer with active customer support, what will you get? Much more loyal and cooperative customer base with the potential of higher profits and a higher Delivery Ratio.

# CH#6 - Branding & Support

Having a professional approach and tone while providing support to your customers goes a long way and describes your Brand's Values. Branding and Support are two most important pillars of building Trust with your Customer and this trust directly affects your delivery ratio.

## 1. Branding Done in Right Way:

As a starter, launching a single product online store isn't considered a good thing in the long run in the ecommerce industry. The right way to do it is by launching a decent and good looking multi-product online store which should be smooth and user friendly, having an easy to remember professional name, describing brand's values and connecting with the customer's emotions. The customer isn't seeing you in-person but he is definitely seeing the effort that you have put in building your online store and if you have done it right, you will gain a customer that trusts in you. Add in an active and professional support you will probably have a loyal and cooperative customer in the long run giving high value orders.

## 2. Importance of Support:

Have a professional approach with the support. When calling your customer, inquire politely about the order and reflect that you are an employee managed under a proper customer support department and overseen by supervisors who will identify your mistake if you fail to deliver. This way customers will see you as an established brand and feel entitled and respected and when the rider knocks on the door to deliver their order, they will gladly receive it.

Another important thing to note here is that this support shouldn't be limited to words only, but you should act on your words when required. For example if a customer feels bad about the product and isn't satisfied, refund him. This will make your customer feel valued and they will know that their emotions matter to you, building an unfathomable trust.

# CH#7 - Proactive Approach with Complaints

Keep an eye on each one of your orders and analyze what stage they are at and if there is any matter of concern causing that order to be late or potentially fail to deliver. When you identify such an order, launch complaints with your courier in order to solve the matter before it goes worse. For example, if an order fails to deliver on first attempt, contact your customer, inquire and report to the courier. That defines a proactive approach. Identifying and reporting a matter before it becomes a problem.

## **Secret Tip:**

Knowing contact information of the rider who is going to deliver the order to your customer comes in handy. You can get rider's contact information only on Trax by visiting their live chat support and providing Tracking id of the shipment.

That's all from this short guide on maximizing your order delivery ratio and avoiding loss. Let's rewind a bit, have clear expectations and be aware of the realities. Have clear understanding on the roles of Couriers and HHC Dropshipping, avoid misunderstandings and know what actual delivery timings are, aware yourself with different courier statuses and what they mean, choose the right product that attract right audience, understand location science and how it affects delivery times, identify address issues in remote areas and what you can do to cover them, know the difference between zilla and tehsil and last but not least, work on your branding and support, this will surely bring you more business with loyal customers.