



HANDBOOK

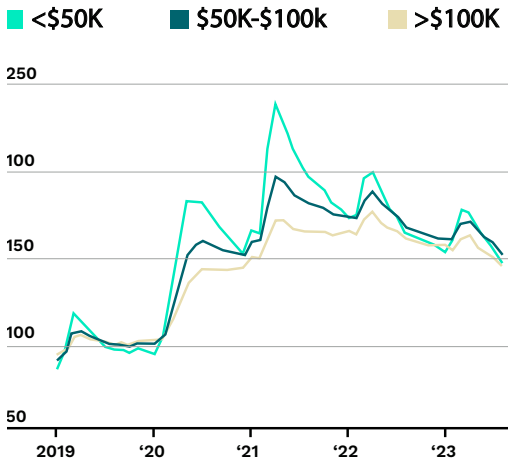
The Shipper's Handbook

to Managing Expectations This Holiday Season



While the freight industry is going through an extended lean patch in the market, the retail economy has remained quite resilient through the year, with the peak season not expected to coincide with any major fall in consumption.

Monthly median household savings and checking balances by income (2019=100) For a fixed group of household through August 2023



Source: Bank of America Institute

That said, there have been mixed reactions to the health of the consumer. FRED data on [personal savings rate of the US consumer](#) stands at 3.9% for Aug '23, which was over 10% through the pandemic period and comfortably above 6% in the pre-pandemic years.

On the other hand, monthly median US household savings remain at levels much higher than pre-pandemic for all income groups, based on [data from Bank of America Institute](#). While the savings rate has decidedly fallen, the total expendable savings is at levels where consumers will not consider austerity for the forthcoming peak retail season.

For shippers, this year's peak season might display a semblance of returning to normalcy from the pre-pandemic years on the supply side, as freight rates are not threateningly high nor are freight bottlenecks a problem with sourcing on time. And yet, forecasts clearly point to a less-pronounced peak season compared to the roaring retail demand peaks of the previous two years. Many shippers still face the challenge of dealing with bloated inventories due to over-ordered SKUs from the previous season.

The purpose of the handbook is to ensure shippers can stay operationally resilient during the upcoming peak season, while managing to attract new buyers and retain them over time. The annual year-end peak season is a

litmus test for shippers looking to scale, as the season brings in a surge of heightened demand and critical revenue opportunities.

In that regard, it is crucial for shippers to recognize the evolving landscape of consumer behavior. One notable trend is the increased reliance on e-commerce and the demand for swift and reliable delivery services. With consumers growing accustomed to the convenience of online shopping, shippers must prioritize efficient logistics and last-mile delivery solutions to meet these expectations.

This shift also underscores the importance of effective inventory management to avoid stockouts or overstocking issues.

How to delight customers and win repeat orders?

The constantly evolving consumer base makes it imperative for shippers to leverage **tech tools** to provide an exceptional fulfillment experience. With the rise of omnichannel retailing, consumers now expect seamless shopping experiences, whether they buy online, in-store, or through a mobile app.

Forecasting demand, understanding the consumer base, and ensure an impeccable fulfillment experience will go a long way in keeping a brand at the top of the market.

Here are some key strategies and tech tools that shippers can explore:



Customer Relationship Management (CRM) Systems

CRM systems help shippers maintain detailed customer profiles, purchase histories, and preferences. This information enables personalized marketing campaigns, targeted promotions, and tailored product recommendations.



Inventory Management Software

Advanced inventory management systems equipped with real-time tracking capabilities help shippers maintain optimal stock levels. This ensures products are available when customers want them, reducing the **risk of stockouts**.



Supply Chain Visibility Tools

Utilizing **supply chain visibility solutions** allows shippers to track the movement of goods throughout the supply chain. This transparency enables proactive problem-solving and timely communication with customers regarding order status and delivery times.



Yard & Dock Management Tools

Intelligent control of all processes with **Yard** and **Dock** Management avoids long queues at the gates and thus cost-intensive idle times, as logistics processes are efficiently networked.



Artificial Intelligence (AI) and Machine Learning (ML)

AI-powered algorithms can analyze customer data to predict preferences and buying behaviors. AI-driven chatbots and virtual assistants can enhance customer support by providing instant assistance.



Returns Management Solutions

Implementing efficient **returns management processes** and software can streamline the returns experience for customers. An easy and hassle-free returns process leads to higher customer satisfaction.



Last-Mile Delivery Optimization

Investing in route optimization software and delivery tracking tools can improve the **last-mile delivery experience**. Customers appreciate accurate delivery time estimates and the ability to track their orders in real time.



Data Analytics

Leveraging **big data analytics** can provide valuable insights into customer behavior, helping shippers make informed decisions about product offerings, pricing, and marketing strategies.



Inventory management is the bedrock of fulfillment operations

While a good fulfillment experience will catapult consumer demand, holding onto the same service levels as a retailer has a lot to do with smart inventory management. This puts yard and warehousing operations in the spotlight, as they are critical infrastructure that ensures the products are readily available on demand, accurately tracked, replenished on time, and swiftly dispatched for fulfillment.

To [manage inventories effectively](#), there are several key strategies and best practices that shippers should consider:



1. Setting Goals and KPIs

Establish clear inventory management goals and [key performance indicators](#) (KPIs) to measure success. For example, set goals for maintaining optimal stock levels, reducing detention fees, and improving Dock throughput. Monitor KPIs regularly and adjust inventory strategies accordingly. Use software solutions to track and analyze inventory performance.



2. Forecasting Demand

Utilize advanced demand forecasting tools to predict fluctuations in consumer demand. These tools consider historical data, seasonality, market trends, and external factors. [Adjust inventory levels](#) based on demand forecasts to prevent overstocking or stockouts. For instance, increase stock levels before anticipated peak seasons.



3. Staffing and Training

Ensure that warehouse staff are well-trained in inventory management best practices. This includes proper handling, labeling, and tracking of products. Implement workforce management solutions to optimize staffing levels during peak periods and reduce labor costs.



4. Optimizing Order Flow

Streamline the [order fulfillment](#) process to minimize picking and packing times. Implement efficient picking strategies, such as batch picking or zone picking. Utilize barcode scanning and RFID technology to enhance order accuracy and reduce errors.



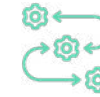
5. Packaging Guidelines

Develop packaging guidelines to ensure products are stored and shipped in a way that minimizes damage and maximizes space utilization. Consider sustainable packaging options to align with eco-conscious consumer preferences.



6. Carrier Selection

Choose reliable carriers with a track record of on-time deliveries and minimal damage to goods. Negotiate favorable shipping rates and service levels. Diversify carrier options to mitigate risks associated with carrier disruptions.



7. Technology and Automation

Invest in inventory management software and [automation technologies](#). These can include Warehouse management systems (WMS), RFID systems, and inventory optimization software. Leverage real-time data and analytics for better decision-making and inventory visibility.



8. Cybersecurity Measures

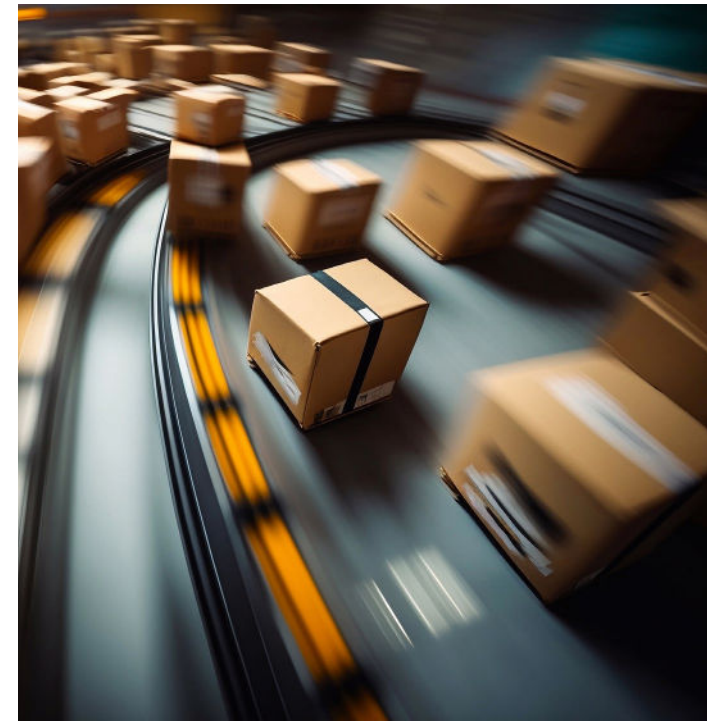
Implement robust cybersecurity measures to protect sensitive inventory and customer data. Consider [obtaining ISO certification](#) for data security compliance. Conduct regular security audits and updates to ensure the safety of digital inventory management systems.



9. Peak Period Contingency Plans

Develop contingency plans to address peak season challenges, such as unexpected spikes in demand or [supply chain disruptions](#). Implement inventory freezing strategies, where certain items are held in reserve to meet peak demand without risking stockouts.

By incorporating such best practices into inventory management strategies, shippers can build a robust foundation for successful fulfillment operations. This ensures products are available when customers demand them, leading to improved customer satisfaction, repeat business, and sustained growth in the market.



Building a bridge between demand forecasting and inventory management

For shipper operations to remain **seamless**, it is important for its demand forecasting to be as accurate as possible, with its sourcing team following through with holding the 'right' amount of inventories to sustain actual demand.

While this has worked relatively well in the past, the growth of e-commerce has upended some of the best laid shipper plans, as e-commerce-led demand volatility has made it increasingly harder for shippers to plan its upstream operations.

The growth of **e-commerce**, and more recently, the emergence of social commerce, has fundamentally shifted the dynamics of demand. A single viral trend, propelled by influencers and social media platforms, can now cause a massive surge in demand overnight. Such unpredictabilities, while presenting opportunities, also present unique challenges for shipper operations. It's akin to riding a roller coaster blindfolded; you never truly know the next turn or drop.

Inventory management and sourcing operations are the backbone of these challenges. The task is twofold: to predict volatile demand accurately and to source and manage inventory in a way that aligns with this demand. The synergy between these two aspects is crucial. Real-time or near-time visibility into operations becomes paramount. If shippers can get instant insights into inventory levels, demand forecasts, and sourcing operations, they can adjust on the fly. They can mitigate the risks

of overstocking or understocking, ensuring resources are optimally utilized and customer satisfaction is maintained.

In this digital age, where the pace is set by the rapidity of online trends, businesses cannot afford to rely solely on traditional practices.

There's an undeniable need to digitize and automate core processes, especially in areas like inventory management and **yard**

operations. Such automation not only improves efficiency but also offers the agility to respond to sudden market shifts.

Expertise and experience play a significant role in navigating this evolving landscape.

C3 Solutions, with its two-decade-long journey, offers a wealth of insights from managing exceptions during peak holiday seasons and understanding the intricacies of demand fluctuations year after year. As businesses grapple with the new norms of commerce volatility, leaning on the automation expertise of seasoned partners like C3 Solutions could be the difference between merely surviving and thriving.



Book a Free Consultation!

[Book a Meeting with an Expert](#)

[Visit our Website](#)