



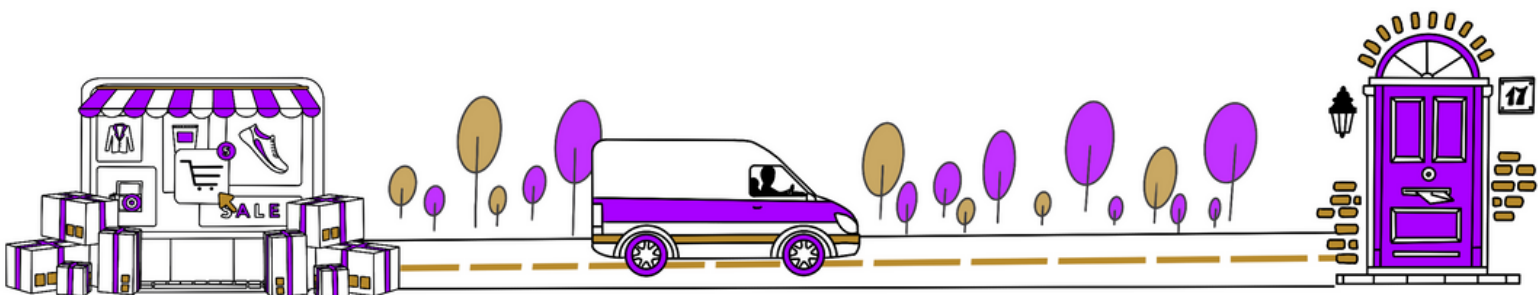
ANANSI

BUSINESS BRIEFING

# THE SILENT COST OF SHIPPING

THE DELIVERY EXPERIENCE IS  
THE CUSTOMER EXPERIENCE.

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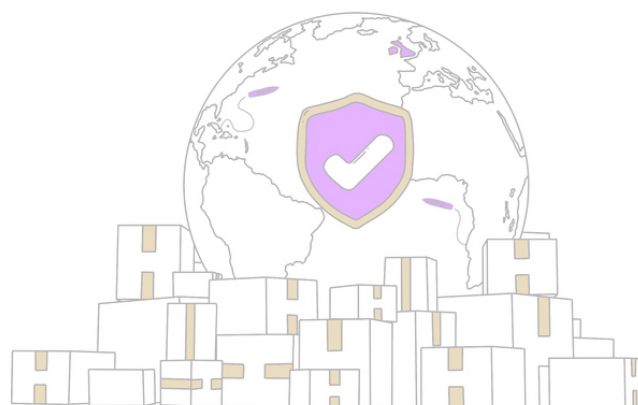
# 85% of online shoppers say that a poor delivery experience would prevent them from ordering from that online retailer again.

## The delivery experience is often the only physical touch point most brands have with their customer.

However, this critical step in the customer experience journey, the last-mile delivery can often feel forgotten and unloved. We see delivery companies pushed on unreasonable pricing customer demands misaligned with the realities of shipping costs and rising levels of fraud. Data shows a direct correlation between the last-mile delivery customer experience and negative impact on brand, NPS and even customer churn. Bad deliveries are costing brands much more than they often realise.

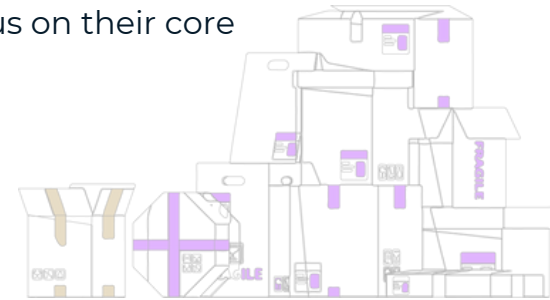
So, how can insurance play a part in this? Of course, there is the obvious, and often reluctantly paid-for, 'peace of mind' that comes with insurance. But suppose we step back and consider the broader role that insurance can and should play as an enabler and facilitator for businesses to compete and perform better. In that case, we see a more significant opportunity for brands and the fulfilment industry to leverage additional benefits. We must turn insurance from what is often a grudge payment into a tool for constant operational improvements and better risk management.

Yes, last-minute insurance does the obvious role of protecting the bottom line by paying out, and a good insurance solution like Anansi will deliver a 98% claims success rate, but that's just the tip of a much larger iceberg. We need to start considering insurance as an accountability tool across three key areas.



## Operational cost and efficiency improvements.

Dealing with claims can clog any business, and the cost of managing and chasing payments often makes it a no-win game. By leveraging a third party to streamline the process, you can free up resources that can be better used to create growth and innovation. And don't forget employee empowerment. Free from claim headaches, you'll have teams happy to focus on their core responsibilities and excel.



## Continual improvements and fraud reduction.

Every shipment, every parcel creates data. Data that can be used to make improvements in risk profiles and performance metrics, with transparency even down to individual couriers. And because insurance always works better when everybody is in it together, there are data insights that can provide deeper understandings and performance indicators that you wouldn't be able to access individually. Tracking courier performance and fraud tools combined with AI enables us to find weak links quickly to remedy the situation and reduce the number of problem shipments. Combining that with better recourse recovery, you'll have a powerful tool for a positive impact on the bottom line through continual improvements.

## Protect brand & customer experience to reduce churn

**The delivery process directly impacts NPS scores.** Without focusing on and providing the data insights to improve this key area, you could undo all the great brand-building work that you've focused on up front in the journey. What's more, the problem is probably bigger than most retailers realise: nearly a quarter (22.5%) of recipients are unlikely or very unlikely to complain if they experience a delivery issue.

### The Facts

- 75% of bad reviews relate to the delivery process.
- Poor delivery will drive down sales: almost three-quarters (72.5%) of poor deliveries will result in a customer likely stopping recommending the retailer.
- 94% of customers blame the retailer when packages are delayed or lost in transit.

**“For every 100 deliveries, almost 29 could result in customers turning to competitors.”**





**Customer churn is driven by the delivery experience.** 34% of online customers have experienced package delivery issues over the past 12 months (Citizens Advice, 2023). Of those, 85% of online shoppers say that a poor delivery experience would prevent them from ordering from that online retailer again. (Ingrid, E-commerce Last-mile Delivery Landscape in the UK 2023).

With customer acquisition costs rising—one study says it increased as much as 222% between 2013 and 2022 - that's a lot of valuable customers you must replace at a high cost to any business. Depending on your industry, acquiring a new customer is anywhere from five to 25 times more expensive than retaining an existing one. Instead of being a cause of issues, you can start reducing anxiety and building trust, the cornerstone of any great brand relationship, through improvements leveraging the data generated by insuring your parcels.

## In conclusion

Insurance isn't just peace of mind; it is an enabler for better business that is critical in addressing major industry challenges, supporting both retailers and our 3PL and Courier customers. Our ability to embed insurance more deeply into the technology and customer journey enables a company to compete more effectively and drive better bottom-line results and outcomes.

Anansi's shipping insurance and claims management platform enables businesses to protect their goods while driving accountability within last mile deliveries to enhance reputation and defend the bottom line.

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“Anansi's service helps remove our clients' frustrations when things are lost in transit”

**Leah Solmaz,**  
**RapidPack Fulfillment Ltd.**