Improved customer centricity through digitalization

Improving customer focus through digitalization: How DHL Global Forwarding, Freight is leveraging digitalization to improve customer satisfaction

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While digitalization is the buzzword everyone's using lately, it isn't anything new. The world is going digital; industries, industry sectors, and branches of business are going digital – and that's a good thing. I would go even further and suggest that digitalization is not happening fast enough, especially not in logistics. We at Deutsche Post DHL Group have therefore included this topic in our new corporate strategy. "Delivering excellence in a digital world" is the central theme of our Strategy 2025. But what does this actually mean for the logistics industry and for DHL Global Forwarding, Freight as a freight-forwarding service provider? The sense of optimism surrounding digitalization is also accompanied by critical voices warning of disruption and job loss. This dialogue is as important as thinking about the consequences and changes of this industrial revolution. It illustrates how we can best leverage and shape digitalization to our advantage – for our customers, employees, and for the whole organization. We see digitalization as being the key to becoming more effective and efficient and to creating growth opportunities. In this blogpost, I would like to focus mainly on the tremendous benefits we at DHL Global Forwarding, Freight see in providing our customers with a superior customer experience.

Let me explain this in more detail. I would like to start by making an assertion:

With the aid of digital tools and services, we consistently put the focus on our customers.

That may sound paradoxical at first glance, but upon closer examination it is simply consistent; in fact, there is no alternative. Why was the tool invented? Why was the steam engine invented? Why was the modern standard ocean freight container invented? All this was done primarily to make our work and our everyday lives easier. The same applies to the innovations that we are developing in today's world. Although there is an increasing shift from hardware to software, the drivers are still the same – making work easier, increasing efficiency, and reducing manual tasks. I am convinced that, in retrospect, digitalization will be at least as important for the logistics industry as the invention and introduction of the standard container in ocean freight was in its time, around fifty years ago.

However, how are we dealing with the challenges and opportunities described above at DHL Global Forwarding? We have developed six guiding principles in order to optimally leverage the potential for

our customers. We apply these principles without exception when developing and rolling out new digital tools and services.

1. **360° Visibility**
2. **Multi-Channel**
3. **Mobile First**
4. **Workflow Management**
5. **Signaling Action Need**
6. **CRM + Analytics**

1. 360° Visibility

360° visibility or transparency sounds banal and simple at first. If you look at the logistics industry, though, this approach is a radical one, particularly from the perspective of a freight forwarder or transport service provider. It is an open secret that some logistics companies have made a good living off of a lack of transparency, whether it be in relation to freight rates and additional charges (surcharges) or to data allocation and provision. This is unsustainable in a world where a customer can find out within seconds where the cheapest flight or hotel room is available. Not only has the availability of information changed, but expectations of how and at what level of detail information is provided have also changed completely. How can a logistics company credibly tell a customer that it is not in a position to provide price information or at least give some indication of pricing if a hotel booking portal for countless hotels around the globe from different providers can manage to do so within seconds? There has been a paradigm shift in terms of customer expectations and customer experience ultimately. This is why, for us, there is no alternative to transparency moving forward.

2. Multi-Channel

The multi-channel aspect, likewise, is closely connected with the availability of information. The age of closed systems has passed. The reality of everyday working life is different. This point can also be well illustrated using an example from modern everyday life. Anyone who has ever used a video platform or a streaming service provider to watch movies may be familiar with the following little convenience: You watch a movie on your tablet, interrupt the movie playback and then decide to continue watching the movie the following evening. But, this time on your smart TV. What happens? You can resume playback at the exact same point where you interrupted it the previous evening on your tablet. Something that is particularly convenient in your private life significantly enhances efficiency in your professional life.

Just imagine information regarding transport rates, shipment details, and documentation relating to your booking automatically being fed into your systems – thanks to API interfaces, for example. This is the case with our online booking tool myDHLi Quote + Book. Data is shared in real time between the other tools in our suite that you are using, and you can seamlessly track the transport process with myDHLi Track or use myDHLi Analytics to evaluate with just one click how your transport costs are trending YOY.

3. Mobile First

It is hard to imagine our private and professional lives without mobile devices such as smartphones, wearables, or tablets. That is why applications we develop follow the Mobile First principle. It is how we ensure that our customers – whether they are booking an air freight shipment or tracking an ocean freight shipment – do not have to make any compromises in terms of data or display quality. The example of the streaming service provider also works extremely well in this context. Hence, Multi-Channel and Mobile First are not only interrelated but also closely interconnected.

4. Workflow Management

Workflow management or the improvement of it is a topic that applies both internally and externally. It is less about dictating to customers or employees how workflows should be designed and more about creating a package of solutions and services that helps optimize processes. Our online offering myDHLi Quote + Book is already able to significantly reduce the number of unnecessary telephone calls and e-mails. But, this should not be misunderstood as an anti-social feature. Nothing is as important as personal contact with the customer. At the same time, it is not beneficial to the relationship if numerous e-mails and telephone calls create unnecessary bureaucratic processes; not to mention the resources that this ties up on both sides. Our "share"-functionality provides another aspect of workflow optimization. Usually customers have to align quotes internally with their managers. Via our share functionality this becomes much more convenient and seamless. Digitalization therefore enables more efficient processes to be established that ultimately provide a better basis for customer interaction and the customer relationship. Ultimately, added value is created for the customer and logistics costs can be indirectly reduced.

5. Signaling Action Need

Signaling action need is one of the most important principles because it is closely intertwined with aspects of transparency and control and is therefore essential for a positive user experience. Ensuring visibility in relation to transport routes or individual shipments is only one half of a successful customer experience. The other half – and the key added value – comes from the control and the variety of options that we create for our customers. We offer our customers a digital working environment and a critical database that they can use to make qualified decisions. For example, is there an unforeseen delay to a delivery for a shipment owing to bad weather conditions? This knowledge forms the basis for decision-making, helping to minimize or even completely prevent any impact on things like production. As a result, we are not only creating transparency but also working to create a critical basis for decision-making that has not existed in this direct and automated form before.

6. CRM + Analytics

CRM + Analytics has a rather indirect effect on customer satisfaction and yet even this principle puts the focus on the customer. At first glance, you might assume that it is, if anything, a purely internally motivated principle. However, decisions based on it are to be interpreted first and foremost as customer-centric. Based on monitoring and analysis, we generate a critical amount of data that helps us make objective decisions about functionality, design, and the customer journey. Rather than a personal opinion or a subjective perception, a factual "measurement" of customer needs is the starting point for establishing a positive user experience and, ultimately, a positive customer experience.

At first glance, digitalization may seem to describe a purely technological path. However, if you take a closer look at the issue with the principles listed in mind, it quickly becomes clear that the digital path brings you closer to customers. As a part of Deutsche Post DHL Group, we at DHL Global Forwarding are able to successfully pursue this path in particular because – whether it be in an analog manner in terms of logistics solutions or digitally in terms of tools and services – we operate according to our mission of "Connecting people. Improving lives".

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