

SELLER BEST PRACTICES

Global Power fuels growth through delivery experience improvements

Amazon Buy Shipping helps drive 45% YoY GMS growth

<u>Global Power</u> is a distributor of industrial parts and technology, providing high-quality products to customers since 2014.

It took a few calls before Alex, the founder of Global Power, answered his now account manager, because "easily increase your Amazon Business sales!" sounded too good to be true. Alex is grateful he finally picked up, as his gross sales on Amazon Business have increased by 45.3% year-over-year since he took that call. He attributes the majority of that improvement to the free tools Amazon Business offers its sellers to help them drive sales and win Featured Offers—and of course his account manager's recommendation to give them a shot. Now, Alex hopes his success story can help others.

Amazon Business features powered massive improvement

Global Power had a 62% On-time Delivery Rate (OTDR) at the end of July 2024, with OTDR enforcement looming at the end of September. That means they would need to improve their OTDR to a minimum of 90% without promise extensions to continue to have seller-fulfilled products listed on Amazon. Alex decided to take advantage of Amazon Buy Shipping, among other features, to help improve his customers' delivery experience—and a better delivery experience drives repeat customers.

Amazon Buy Shipping is a free tool that allows you to purchase and print labels from a single place while automatically filtering out poor-performing shipping options in favor of higher-performing options. For Amazon Business customers, it filters out options that deliver on weekends when businesses are closed, helping improve Business Hour Delivery Rate (BHDR)—Global Power's BHDR jumped 2.5% in one month from using Buy Shipping and is currently at an all-time high. This gives their business customers a much better delivery experience, and our data has shown that higher BHDR results in a greater likelihood of repeat purchases and larger orders. On top of all these benefits, Amazon Buy Shipping can save you an average of 31% on shipping costs compared to retail rates for USPS, UPS, and FedEx by offering discounted rates—or you can connect your own rates to your account.

"We hit the ground running by using Buy Shipping for over 90% of our orders," Alex said. Dialing up Amazon Buy Shipping usage resulted in a massive uptick in their On-time Delivery Rate—over the course of two months, Global Power's OTDR went from 62% to 95%. "We also utilized SSA (Shipping Settings Automation) and AHT (Automated Handling Time) to better set handling times and customer expectations for deliveries," both of which helped improve customers' delivery experiences.



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- Alex, Founder of Global Power

Shipping Settings Automation automatically calculates delivery dates based on your warehouse location, customer location, and other data to provide customers with a more accurate delivery promise. Accurate delivery promises increase the likelihood of purchase and improve your chances of winning the Featured Offer. Automated Handling Time automatically sets your handling time based on historical performance to help reduce unnecessarily long handling times (known as a handling time gap) which can make your delivery dates more appealing to customers.

Customer delivery experience matters

Global Power's gross sales on Amazon Business are up 45% year-over-year—a remarkable improvement. "We can attribute 50% of that success to Buy Shipping, SSA, and AHT improving our delivery rates and setting more realistic customer expectations", Alex claimed. "Business pricing also played a big role in our growth, encouraging business buyers to purchase with a 1-2% markdown on 90% of our store. And the last piece is just hard work."

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The customer delivery experience is a key interaction that often gets overlooked—it's your last touchpoint in a customer's purchase journey and can have lasting effects on your brand. After a poor delivery experience, 85% of customers are less inclined to make another purchase from a business¹. To provide the best experience and increase the likelihood of returning customers, make sure you're taking business hours and days into account and setting realistic delivery expectations.

Amazon Buy Shipping is accessible through <u>Manage Orders</u>, <u>shipping API</u>, or <u>select multichannel integrators</u>. To learn more about Business Hour Delivery Rate, check out this <u>one</u> pager.

¹FarEye: Oct 2022. "The Last Mile Mandate: Key insights from a U.S. consumer survey"