



SMS in the Transport and Logistics Industry

Ensure efficient communication for transport and delivery of consumer goods and services in Australia





The Australian Logistics and Transport Industry involves many types of businesses, beyond the purpose of merely transporting and storing goods. According to the Council of Supply Chain Management Professionals, a logistics business is one that “plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers’ requirements.”¹ It is an industry that strongly overlaps with the processes of other industry sectors, for example the delivery of goods following online retail purchases.

At a contribution to the economy in 2013 of \$131.6 billion (8.6% of Gross Domestic Product)², The Australian Logistics Industry is already an enormous sector, and it continues to grow rapidly. Australia’s freight task in 2020 will be double that of 2006. By 2050, it will be tripled.³ As a growing industry that controls the flow of goods and services across large geographic distances, communication is essential yet can be difficult. Companies operating within the Transport and Logistics Industry in Australia need to develop communications strategies that effectively suit the needs of a mobile business environment. Ubiquitous, quick and reliable communications technologies need to be utilised.

1 Douglas M. Lambert, 2008, “Supply Chain Management: Processes, Partnerships, Performances”

2 Australian Logistics Council, 2013, “Economic Significance of the Australian Logistics Industry”

3 Transport Training Solution, 2014, “Profile of the Australian Transport Industry”



Evaluating suitable channels for communication within logistics businesses

With the importance of effective communication to the success of businesses in a digital era, there are many options for facilitating communication. Finding the most suitable channel for logistics companies is particularly important because the transfer of goods and services across vast geographical spaces requires constant tracking and instruction. Effective communication is the best way to ensure this runs smoothly. A rigorous analysis of the available mediums is necessary in order to establish the optimal channel.

Email

Email is a popular and accessible means of communication across broad groups of people. However, there has been a rise in mistrust of email recently due to the frequency of email spam. Market research from 2009 estimated that in 2013, 84% of email traffic would be spam.⁴ With figures like that, it is understandable why people are becoming more resistant to opening emails.

When it comes to transporting goods, businesses need to be assured that their messages are not ignored, but receive priority attention. If messages are not seen swiftly,

drivers may not know of any changes of route, deliveries may be difficult to track, and many other problems can occur.

Email is also a more time-consuming avenue to facilitate communication between the many stakeholders in the transport and logistics industry. On average it takes 90 seconds to respond to a text message, compared with 90 minutes to respond to an email.⁵ To ensure constant communication of many people across vast geographical locations companies need to be assured that stakeholders will receive and respond to messages quickly.

Phone calls

Phone calls are a traditional medium for communicating across businesses internally, as well as externally with customers. However, they are resource-draining in terms of occupying valuable employee time and costing significant amounts of money through phone bills. SMS can be automated to instantly contact thousands of people in seconds, and can cost as little as six cents a message.

⁴ The Radicati Group, 2009, "Email Statistics Report, 2009-2013"

⁵ SnapHop, 2012, "Mobile Marketing Statistics"



Furthermore, phone calls are not an option for many transport and logistics companies because a predominant audience they need to communicate with is composed of their drivers. Drivers will be unable to answer calls during work times. SMS messages can be read at a convenient time for the recipient.

There is also the option for audiences to respond immediately, increasing the effectiveness of problem solving in the event of a delay or a problem in the transporting of goods.

SMS

Consistently over time, SMS has remained the most ubiquitous medium for mobile communication. In fact, in 2010, with 4.16 billion users, SMS was the single most popular data channel in the world.⁶

Ubiquitous in its accessibility, SMS is popular among mobile users. There is no need for internet access or a particularly strong phone signal in order to reach audiences with SMS. This is helpful in keeping track of the transition of goods, as drivers may be in remote areas with little reception but still able to communicate via SMS. It is also direct to the source, as 91% of adults have their phone within arms reach, 24 hours of the day.⁷

Recipients don't even need to be immediately available for conversation to receive the information. The message will be there for them to see as soon as they have a moment to look, which is usually very quickly, as 90 percent of text messages get read within 3 minutes of delivery.⁸

6 The Atlantic, 2011, "Why Texting Is the Most Important Information service in the world"

7 Forbes, 2013, "Fifty Essential Mobile Marketing Facts"

8 Forbes, 2013, "Fifty Essential Mobile Marketing Facts"



Maximising the potential for SMS in the Australian Transport and Logistics Industry

Roster scheduling

Logistics businesses can have hundreds of staff members each performing a variety of tasks. Transporting or storing goods requires the efficient organisation of personnel to goods. Using SMS to schedule shifts for drivers and other staff members helps organise tasks neatly. SMS is ubiquitous and provides easy and quick correspondence between staff and organisations. This ensures that the needs of companies for staff members can be efficiently met by communicating through SMS.

Delivery notifications

One of the greatest challenges for transport and logistics businesses is the cost of failed deliveries, which is due to inadequate communication and planning. This could be large deliveries to warehouses or deliveries to customers' homes. According to recent research, the percentage of Australians turning to the internet for their shopping needs has hit 50%, with Australian's spending \$24.3 billion online in the 12 months leading to March 2013.⁹ With these figures in mind, delivery of goods purchased online has become a great task for the Australian Transport and Logistics Industry. Sending out

SMS notifications to consumers detailing when to expect delivery can dramatically reduce the chance of a missed delivery, increasing consumer satisfaction and delivery efficiency.

Instruct drivers safely

According to a 2011 Census, 2.6 percent of national employees identified themselves as professional drivers.¹⁰ Naturally, a huge portion of the audience transport and logistics companies will need to communicate with is constituted of the drivers they employ to transport and deliver goods. Keeping in constant contact with these drivers is important while they cover long distances. Some of these distances may be remote, so SMS provides the ideal medium as minimal signal is required in order to communicate. The internet is not required and SMS will be accessible for any mobile device. Furthermore, text messaging updates to drivers ensures they can see the message as soon as possible without jeopardizing their focus on safely transporting goods.

⁹ Power Retail, 2014, "Roy Morgan research should over 50 percent of Australians shop online"

¹⁰ Australian Logistics Council, 2013, "Economic Significance of the Australian Logistics Industry"



Service reminders

SMS ensures an efficient and effective means of reminding drivers when services are due. Not only will this ensure that vehicles are maintained, so they are able to continue to transport and deliver goods on behalf of transport and logistics businesses, but it will also ensure the maximum safety of employees.

Choosing an SMS provider

Since SMS has been identified as an excellent medium for business communication, many new suppliers have emerged. It can be difficult for transport and logistics businesses to determine which provider is best suited to their individual business. The best SMS suppliers in Australia will be able to provide a number of distinguishing features and services to maximise the potential of SMS for transport and logistics.

Direct connections to major networks

For most, delivery is the most important factor when determining the effectiveness of SMS campaigns. Strong connections to the major network providers will ensure the best delivery results and make sure messages make it to their recipient, and do so in a timely fashion.

Customer service

While most SMS services are very intuitive, it is reassuring to find a provider that will be able to assist with any difficulty that may be faced implementing SMS strategies. Support should be available across a number of channels including phone, email, social media and even live chat so as to always offer the highest standard of assistance.

Ease of use

The purpose of SMS applications should be to simplify business procedures and reduce workload for businesses, whilst maximising results like successful on-time delivery rates. SMS applications should be easily navigable to avoid a lengthy training period.

Integration

The best SMS providers will offer a way to integrate SMS functions into applications and processes. The most popular being an API. The API should be easily integrated and provided in many different development languages, with lots of resources, to make the integration as simple and quick as possible. This is one of the best



ways for transport and logistics businesses to implement strategies like delivery and service reminders as SMS can simply be built into the current processes and systems. Providers that offer such vast resources will undoubtedly be committed to offering the best service they can.

Reporting delivery results

It's important that any SMS sent can be tracked, so that businesses are aware when their messages have been delivered successfully. This is essential when implementing strategies to boost business performance with SMS. Without this information, there is the possibility of sending thousands of messages to numbers that do not exist. That's a lot of wasted money.

Experience with other transport and logistics businesses

As with any service provided, there is no substitute for years of experience and expertise. The most suitable SMS provider for these kinds of businesses will have worked with others in the industry and delivered excellent results.



CTI Logistics

CTI Logistics is one of the largest logistics operators in Western Australia. They employ over 800 staff working from multiple locations, delivering operationally critical equipment and services to their clients.

All logistics companies have costs relating to the delivery and redelivery of items when recipients aren't available. The cost of redelivery is significant to a business, especially one as large as CTI Logistics, and is easily reduced by the organisation with SMS notifications. Sending an SMS with a predetermined and arranged time obliterates any potential confusion and maximises the possibility of an on-time and accepted delivery.

CTI Logistics also utilises the SMS service for the rostering of staff. Due to having such a large number of external staff, mainly on shift patterns, the ability to get the word out fast and effectively is crucially provided by SMS.

Esendex

Esendex is one of Australia's leading business SMS providers, with a focus on delivering high quality, secure and reliable services. Esendex holds one of the highest industry reputations for SMS provision. Esendex has over ten years of history of delivering optimal SMS services to over 20,000 customers worldwide.

Esendex boasts direct connections to the major networks in Australia, guaranteeing an exceptional delivery rate. The Service Level Agreement (SLA) is committed to 90% of messages being processed within five seconds and 95% within twenty seconds, although this standard is largely exceeded, with delivery rates usually hitting around 98% and 99% within 5 and 20 seconds respectively.



Conclusion

The Australian Transport and Logistics Industry is prospering, but faces some communications difficulties that could be avoided. In order to effectively cover the range of tasks faced in the industry, effective communication between transport and logistics businesses, employees and consumers must be fostered. This will ensure that goods are transported in the most effective and economically beneficial way possible for all stakeholders.

Transport and Logistics businesses should implement SMS strategies because SMS is the most ubiquitous, efficient and effective means of mobile communication. SMS can reach consumers expecting deliveries, staff who need to receive updated information about the transport and storing of goods and more. SMS also provides the safest means of organisations staying in constant contact with their drivers and those responsible for goods.

Businesses in the logistics and transport industry have the unique opportunity to thrive as a contributor to the success of other mobile industries, for example capitalising on the delivery processes required by the growth of online shopping.



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