A Complete Guide to Mastering Order Management

9 min read

The way your ecommerce business handles orders is crucial to success.

It's so frustrating when a payment error or delivery issue leaves a sour taste in a customer's mouth. A taste you know they'll not want to come back to.

In fact:

It's reported that 65% of customers have cut ties with a brand over **just a single negative encounter.**

Don't worry though — having a solid ecommerce order management process in place helps ensure you don't fall victim to this. And can **keep customers coming back** over and over.

So in this post, we go through exactly what that perfect order management process looks like for ecommerce businesses... and how you can easily implement it into yours.

SEE ALSO: Warehouse Managemet: A Complete Guide for Retailers

What is an order management process

Firstly, let's just get on the same page with what an ecommerce order management process actually is.

In a nutshell:

"Order management is all about **keeping track of orders** coming into a retail business and managing the **processes required to fulfil them**."

This covers everything from the point of **receiving an order right through to delivery** as well as after-sales experience and dealing with any relevant returns.

Here's an image of the typical flow of steps we think need to be covered:
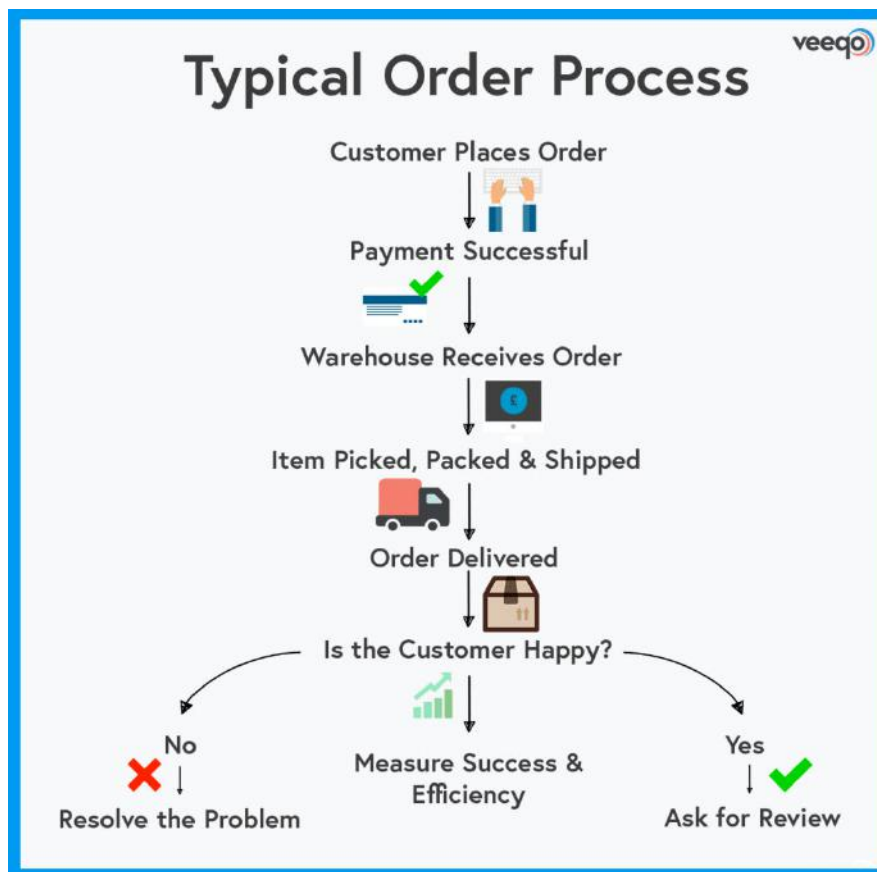
Let's take a look through this whole workflow in more detail:

SEE ALSO: [7 Inventory Control Methods to Bulletproof Your Retail Operation](#)

Receiving an order

The first step in all of this is that wonderful moment when someone decides to buy from you.

Keeping track of these incoming orders may be relatively simple when starting up. But it gets a lot trickier as more and more orders start coming in from various sales channels.

Here are a few things you need to think about:

Payment processing

Failing to properly take a payment is like throwing a sale down the drain.

All that hard marketing and conversion work foiled needlessly at the last minute by a faulty or hard-to-use payment system.

So [choosing a payment processor](#) that's **highly trusted, secure and reliable** is an absolute must to maintain a quality ecommerce order management process.

Without one, you may miss out on multiple sales. Or worse – fulfil an order without realising payment hasn't yet gone through.

For in-store orders, it's also a good idea to have a quality [POS card reader](#) in place too.

Highlight special orders

Some orders require more attention or are more timely than others. For example:

If a customer has paid for express delivery then there needs to be something to **highlight this to the warehouse team** that prioritises it above others.

But here's a pro tip:

This is also an opportunity to go above and beyond and **create a "wow" experience** for certain customers.

So if someone spends a certain amount then this can be highlighted and a **small 'bonus gift'** included. Or a discount code for their next order.

Even a simple handwritten thank you note can go a long way:

It's these **small, personal gestures** that can make a retail business truly stand out from the crowd... and get shouted about on social media.

Consolidate multichannel orders

Listing across multiple online channels is a great way to increase overall sales.

But without a proper system in place then it's also a great way to oversell and miss orders. Not an ecommerce order management process to be proud of.

You COULD login to every sales channel and manually export orders from each one into a centralised spreadsheet.

However:

This can be an **all mighty drain on time** and **overall customer satisfaction** (and your sanity) as the business grows.

The solution?

An order management system that **automatically consolidates orders into one back office** is well worth the investment – both in terms of time saved and the elimination of errors.

Hint: Veeqo does this expertly (as well as a lot of other things). Take a look how here.

Mastering order fulfilment

Two immediate things matter in your ecommerce order management process once payment has been made:

Speed and **accuracy** of order fulfilment.

An Ampersand survey indicated that 64% of consumers would **prefer next or same-day delivery** and research by Loqate found that 57% are **reluctant to use a retailer again** if delivery is late.

Put simply:

The sooner you get an order to a customer correctly, the happier they'll be.

So let's take a look at how to make sure of that...

Order picking process

As a retailer, you're likely all too aware of how complicated it can be to get the picking process right when hundreds (or even thousands) of orders are made each day.

The first point of call should be for a business to be operating with the **correct picking method for its size.**

Here's a quick run through of the four main methods to choose from:

- **Single order.** This is simply where each order is picked and brought back to the packing station one at a time.
- **Batch picking.** A picker gets assigned a certain number of orders to pick in one go before returning them all to the packing desk.
- **Zone picking.** Each picker gets their own 'zone' in the warehouse with items being added to an order as it gets passed through each zone.
- **Wave picking.** All zones are picked at the same time and brought to a centralised desk to be consolidated and packed.

SEE ALSO: Warehouse Order Picking Systems: Everything You Need to Know

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The packing process

The packing stage is more than just throwing items into a box as quickly as possible.

It's an opportunity to make completely sure that you're sending the **right products** to the **right customers** and in the **most efficient way.**

Here are some things to consider:

Verify order accuracy. Verifying each item is going in with the correct order as it's being packed is a great fail safe check. (Note: using a barcode scanner here will make this a lot quicker and easier.)

Box size. Shipping companies now tend to incorporate dimensions into their prices – so having 3-5 standard box sizes to choose from helps keep costs down while not being overly confusing.

Use appropriate packaging. Some packaging material gives more protection yet costs more. Choosing the right kind for the right order is therefore imperative. Here's a list of the most popular ones:

Packaging	Description	Protection Rating
Bubble wrap	Two layers wrapped around products using sellotape to hold	75%
Packing peanuts	Biodegradable or recycled foam peanuts	90%
Shredded paper	Cheap and lightweight, but limited protection	50%
Crunched paper	From paper dispenser and crunched by packer, limited protection.	50%
Shredded wool	Loose fill wool which is lightweight but limited shock protection	60%
Air pillow	Plastic bags filled with air, very lightweight and good protection but require work to inflate.	90%

Ready to ship

Now that you've successfully picked and packed the order, all that's left is to:

1. Print out relevant shipping label (and invoice, if not already done so).
Note: See how our V-Print feature makes this super quick.
2. Mark the order as shipped in relevant sales channel (or order management system).
3. Send out 'shipping confirmation' and 'tracking' emails to the customer (a good order management system will do this for you automatically).

Managing after-sales experience

A quality ecommerce order management process doesn't end at the point of shipping.

To be a high-performing retailer, you need a system in place for consistently following through on providing an excellent after-sales experience for each customer.

Doing this right can create a huge amount of **brand strength, loyalty and trust.** So it's well worth staying consistent with.

Following up with customers

Following up and keeping customers as informed as possible is a great way to **reduce risk of buyer's remorse** and **build loyalty.**

Order, dispatch and tracking information emails are the least businesses can do. But going the extra mile may involve working with a courier to provide **delivery updates via SMS** message as well.

And then a simple automatic follow up email after delivery to ask if there were any problems is an excellent way to start **nurturing a customer towards their next purchase.**
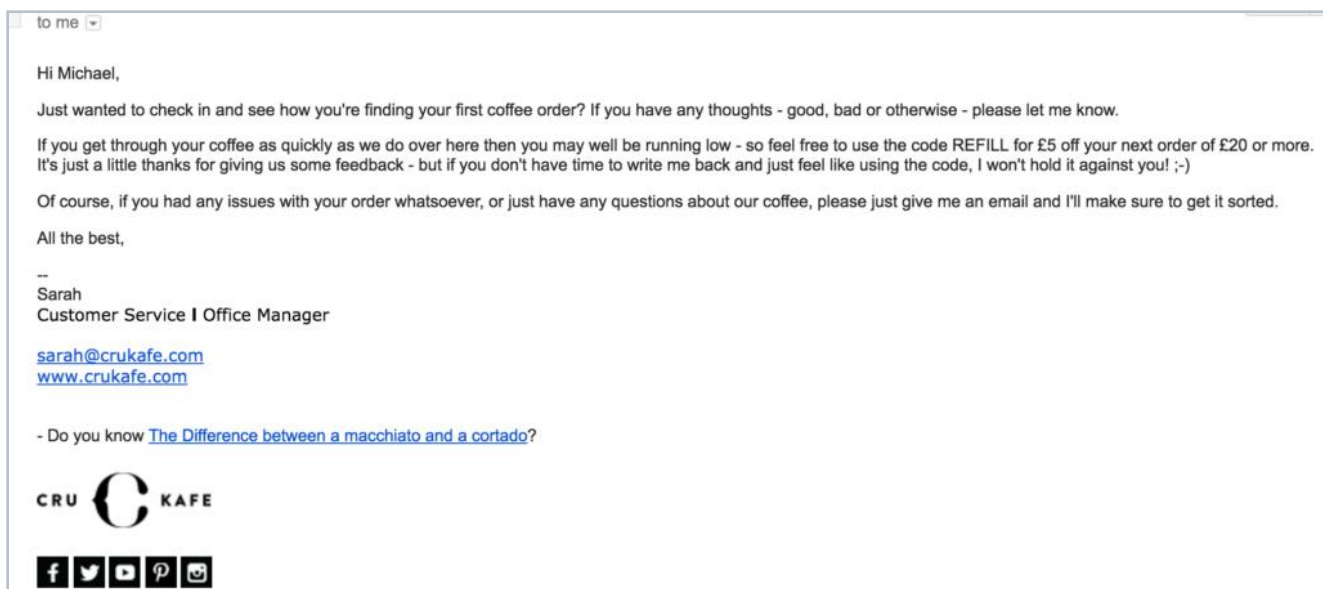
Making the first move like this shows the customer that they're dealing with a **brand that cares.**

Managing returns and refunds

Having a policy on returns is a must for the vast majority of online retailers. Making it obvious that there's a clear way out if anything goes wrong means customers are more likely to buy.

Here are some key things to think about when managing returns:

- **Prevent the return.** Assist the customer first and attempt to fix any broken items by checking batteries, etc.
- **Easy to find and understand.** Make sure customers can easily locate the policy and that it is written in a way they can clearly understand it.
- **Clear on details.** Be very clear if there is a time frame limitation or the customer is liable for shipping costs.
- **Knowledgeable staff.** Make sure support staff know the exact details of the policy so they can assist the customer fully.
- **Refund on time.** The last thing a business wants is a chargeback so issue refunds as soon as they've been agreed.

How stringently you stick to your policy is up to you.

For example:

It may not be worth losing a loyal customer if they're trying to return something just one day past the deadline.

Take a look at how this company put solving the issue for their customer over anything else:

Hello Chloe,

direct-vacuums sent you a message about your request:

"Hi Chloe I am very sorry for any inconvenience, Could you please provide the serial number from the data label on the product, there will also be a small 2cm sticker on the box/product beneath the container, we need the 2 - 4 digit number on that sticker before we can continue. We would then like to offer a replacement product for you, please also confirm the best day for us to do so allowing at least 48 hours notice for us to organise, check and ship the item properly for you. in this instance, if you are happy to accept a replacement, we will not require the other item to be returned so please feel free to keep it for any spares or to dispose of it as you wish. Kind Regards Nick Direct Vacuums Customer Support eCommerce support powered by xSellco Helpdesk"

To reply now, see your request details.

If you have not agreed on a solution by 16 Oct, 2017, you can ask us to step in and help. If you and your seller need more time to sort things out, your request will stay open until 06 Nov, 2017.

See request details

Using reviews and feedback

It's no secret that reviews are powerful for any business. And research by BrightLocal found that 85% of people **trust online reviews as much as a personal recommendation.**

So make sure to **automate following up** with an email a few days after delivery asking for an honest review.

Also ask the customer to r**espond to the email** if their experience was negative so any problems can be fixed and not left in a damaging review.

RHYTHMZ®

Dear Michael Glover,

It was our sincere pleasure to provide RHYTHMZ® HD9 Smarttalk for you recently. We hope that the earphone provided have met your expectations and you would consider us again for your future needs.

If your experience is not a positive one or if you have any problem in the future please do not hesitate to contact us by replying this email **before leaving neutral or negative product review** .

If you had a good experience and also if you think the earphone deserves 5-Stars, could you take literally 10 seconds to write your opinion?

We really appreciate your support.

Review this product

RHYTHMZ ® HD9 Titanium Smarttalk

Don't just leave these reviews in the marketplaces or review box though.

According to BigCommerce, 69% of online shoppers want more reviews from ecommerce sites.

So use as many as possible all over your website to continually drive home how **trustworthy your brand is.**

Key order management process metrics

As with any part of a business, KPIs for your ecommerce order management process are extremely useful.
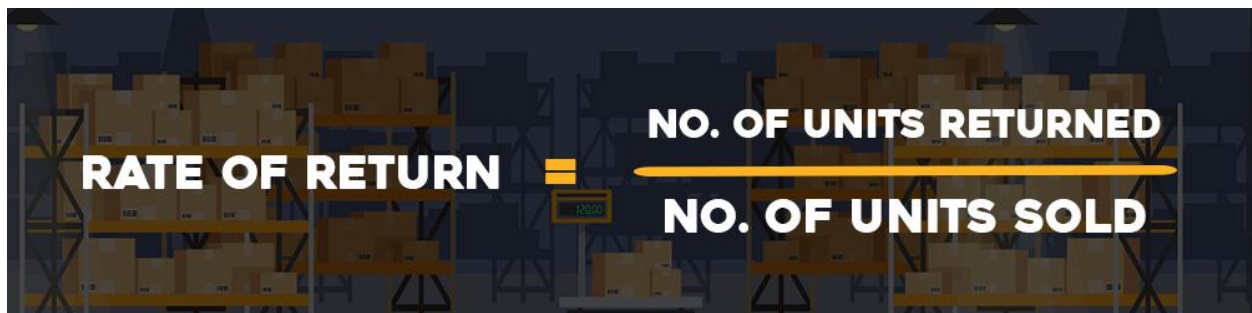
Keeping a close eye on these allows you to see what part of the process is **weak and needs attention.**

Here are some of the key metrics to help do this for your order management process:

Rate of return

This metric gives an insight into **how often items are being returned** by customers.

To get full benefit, it's critical to also **segment results based on reason** for return. This means the exact cause of poor results can be found and strategies put in place to resolve.

Picking accuracy

A poor picking accuracy results in unsatisfied customers, negative reviews and paying to fix the errors. It's therefore crucial to keep track of.

Simply use some data from segmenting the rate of return metric to calculate the accuracy of a picking process.

Order lead time

This measures the length of time between a customer placing an order and actually having it delivered.

Improving lead time can have a **huge impact on customer satisfaction** and so is well worth tracking. However, it's important to **not sacrifice accuracy or quality** in the process.

Calculate order lead time based on an average time of all the orders that were fulfilled.

ORDER LEAD TIME = LEAD TIME FOR EACH ORDER / TOTAL ORDERS FULFILLED

Purchase frequency

This is quite simply a measure of the **frequency of orders per customer** over a given period of time (usually a year).

This is more relevant for some businesses than others. But it's a good way to track the quality of any **follow up and nurture campaigns** as well as the **customer experience** as a whole.

PURCHASE FREQUENCY = TOTAL NO. OF ORDERS / NO. OF UNIQUE CUSTOMERS

And there you have it – the perfect ecommerce order management process step-by-step.

Incorporating these into your business is a surefire way to increase customer satisfaction – and get them coming back over and over again.