Ecommerce Order Fulfillment: 10 Tactics to Win Over Customers

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Taking orders is not the core of running an online business. Fulfilling orders is!

Not just making sure the order gets to its destination, but that it gets there on time, in one piece, and with your business's satisfaction guarantee.

How can you make sure all of that happens and that you keep happy, loyal customers? We tell you, right here!

What is order fulfillment in eCommerce?

Order fulfillment in eCommerce is the process of completing an online order from the point of sale until the successful delivery of that order. A fast, effective, and reliable ecommerce order fulfillment process is an absolute must if you aim to develop a strong, long-lasting online business.

Check the stats:

- In 2021, the top reason (49%) that US adults abandoned their online orders was that the 'extra' costs were too high (including shipping)
- An additional 19% of online consumers in the US abandoned their online carts because delivery was too slow

- The eCommerce powerhouse [Amazon offers free two-day shipping](#), setting a 'par' that most U.S. retailers (64%) also offer customers and say works well
- Only 22% of retailers who offer same day delivery claim that it works well

[The top reason (49%) that US adults abandoned their online orders in 2021 was that the 'extra' costs were too high (including shipping). Keep shipping costs low and #ecommerce sales high!](#)

If [ecommerce order fulfillment](#) is new to you, it may come as a bit of a surprise that it entails more than simply delivering an order. Indeed, ecommerce fulfillment encompasses a number of different steps from the management of inventory, to the processing and packaging of orders, to selecting a shipping method, and even accepting returns.

We'll cover all of the ecommerce order fulfillment process steps further down, but before we do, let us first discuss the different order fulfillment strategies your online business can select from.

eCommerce order fulfillment strategy

The 'fulfillment' meaning in ecommerce is something that shifts and changes depending on the type of online business you're running.

For example, if you're looking to [reduce shipping costs for your online store](#), then dropshipping might be the best option for you. On the other hand, if you want to maintain more control over your inventory but still avoid having to store it all yourself, then 3PL fulfillment could be the way to go.

Take a look at these top 3 e commerce order fulfillment strategies:

1. 3PL ecommerce fulfillment

Third-party logistics (3PL) is a somewhat complex method of ecommerce fulfillment where the 3PL company acts as a middle-man between the online merchant and the supplier. If you ask some online business owners what's the best, 3PL for ecommerce may be the answer you get most frequently.

How it works

- Your store orders inventory in bulk
- The order is sent to a 3PL company from the supplier/manufacturer
- The 3PL company stores the inventory in a warehouse
- The 3PL company packs and distributes the inventory to customers as their respective orders come in

Pros

- Avoid investing in a warehouse to store your inventory
- Eliminate the need to hire your own employees to manage inventory
- Streamline the fulfillment process with experts that have multiple fulfillment centers

Cons

- Must purchase inventory up front
- Since you'll purchase inventory up front, your inventory will be more limited

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2. Dropshipping order fulfillment

Dropshipping is an e-commerce fulfillment model that's similar to 3PL in certain ways, but has key differences. The biggest difference is that dropshipping puts the responsibility of fulfillment directly in the hands of the manufacturer.

How it works

- Your store receives customer orders (with payment)
- The order is forwarded to the supplier
- The supplier packs, ships, and delivers the order directly to the customer
    - Another sub-category of dropshipping is print on demand; if you run that business model, *production will come first*, then packing, shipping, and delivery (also see white label products)

Pros

- Less investment on inventory up-front
- More flexibility with offering variants of certain products
- Easier to stay focused on other aspects of business, like [e-commerce advertising](#)

Cons

- Higher competition to sell 'generic' products
- Harder to [grow your profit](#) levels since dropshippers take larger cuts

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3. In-house order fulfillment

The last online store fulfillment method is to handle it all in-house. It's true, you can manage fulfillment without the help of ecommerce fulfillment companies or the 'best' 3PL for ecommerce.

This is the default e commerce fulfillment strategy for [direct-to-consumer (D2C)](#) businesses, since everything from production to distribution is handled by the store owner themself.

How it works

- Your store receives customer orders
- You produce the product(s)
- You package the order and ship it out yourself, typically with the help of a delivery service

Pros

- More opportunities to build up your [small business brand](#) with custom packaging
- Greater level of quality control
- Gain valuable knowledge through hands-on experience

Cons

- Less time to strategize with micro-management of the business
- Higher overhead costs involved in managing inventory

The eCommerce order fulfillment process

Despite the various ecommerce fulfillment methods you have to choose from, there are three fundamental aspects they must meet in order to be considered effective. These are also the three things you should consider when selecting an ecommerce fulfillment strategy for your business.

1. Product storage

Where are you going to store your products? The answer to that question will likely change as you scale up your business. Perhaps in the early stages of your ecommerce store you'll be able to afford to keep your products stored at home with you. More likely than not, you'll quickly find that using your home as a storage facility is not a viable option if you want to grow bigger.

You may want to consider renting storage space of your own either at a warehouse or some other type of storage facility. But that will also come with the need to hire employees to handle your inventory. To get the perks of a larger storage space without the need to find helping hands of your own, consider dropshipping or 3PL fulfillment.

2. Product packing

Who will package your products before shipping them out, and how will they do it? These are important questions to ask, especially when you take into account the fact that nearly [3 out of every 4 Americans](#) say that a product's packaging often influences their decision to make a purchase.

Similarly to storing products, storing packing materials is no cheap task. It can actually take up more room than the products themselves! That's one of the top reasons why outsourcing [inventory management](#) is so popular among ecommerce businesses. But, your ability to include a personal touch either in the package's design is often limited when you aren't doing it yourself.

You should also think about the materials that are being used in the packaging process – more than 70% of consumers say that they're more likely to purchase from companies that use [paper or cardboard to package](#) their products as opposed to other materials. If you're using an ecommerce third party fulfillment service to handle your inventory and they utilize a lot of plastic and styrofoam, you may want to seek out other options.

Weigh the pros and cons of each fulfillment method before deciding which is best to go with – and make sure to include the packing methods in the decision-making process.

3. Product shipping

Unless you plan on delivering every order using your own car (we don't suggest it) you'll need to find a way to outsource this step. Once again, the solution you decide on will be determined in large part by your broader business model.

Are you selling locally, domestically, or internationally? If you're [selling online internationally](#), you'll need to find a shipping company that can handle all of the customs, fees, and taxes that come into play throughout the process.

You'll also need to think about the user experience – some customers won't care about waiting for a few days, other people will want overnight delivery. A shipping service that offers multiple options is always going to be an advantage for you and can even help you [retain customers](#).

10 Tactics to win over customers

Need a way to have your fulfillment method(s) stand apart from the competition? No problem! We've got you covered with the top 10 most unforgettable and irresistible tactics for winning over your customers.

> *Note: These are also fantastic ways for you to [reduce online shopping cart abandonment](#)!*

1. Make all of your store's policies clear

Nobody wants to be caught blindsided by shady or questionable privacy policies or terms and conditions. But, at the same time, [one study](#) found that 99% of respondents agreed to the terms and conditions without reading them (the experiment included ridiculous things in the terms and conditions, like granting the website the rights to name the user's firstborn child).

To avoid any shadow of a doubt, make all of your policies readily available at multiple points throughout your sales funnels. When you take the responsibility of providing such important information voluntarily, as opposed to hiding behind small print, you reinforce a sense of trust and security for your customers. Ultimately this can turn into [higher conversion rates](#), more revenue, and better profit margins.

2. Provide free shipping

Free anything is good, but free shipping is one of those perks that really helps seal the deal when your customer reaches checkout. 83% of customers in the USA said that, when ordering online, getting [free shipping](#) is their #1 most important factor.

Are we suggesting you ship everything for free? No. That would quickly run you out of business. After all, as the old saying goes, "there's no such thing as a free lunch". In the end, you'll be the one who ends up paying for shipping, so you'll have to make up that difference in other areas of your business.

Consider offering free shipping for orders that exceed a certain amount, like $75 for example. That's an arbitrary number – you'll have to pick what makes sense for your business.

You can also offer free shipping for orders within a certain distance of where you're storing your inventory. Or maybe give free shipping to customers who are willing to wait longer than usual to receive their order, and then send their order out when there's another delivery location nearby.

There are many ways to do it, but at the end of the day, free shipping can be the closer your online store has been waiting for.

> **Bonus note:** *A study by [Wharton](#) found that online consumers are actually willing to spend up to 30% on an order just so they can qualify for free shipping.*

3. Allow free returns

When ordering essentially *anything* online, there's almost always that lingering concern that the product you're purchasing won't end up meeting your expectations. It's a risk that every online consumer takes and learns to deal with – but how can you turn that resistance on its head?

Create a [win-win ecommerce return policy](#) – allow free returns! First and foremost, it will help rid your customers of that hesitance they could be feeling to make a purchase. If they can send it back for free, there's basically no risk for them.

Secondly, that drop in risk is naturally followed by a rise in trust. With a free return policy, it's hard to hold suspicions against your store. You'll look like an absolute angel compared to those competitors of yours that make returns a hassle!

4. Develop a loyalty program

Incentivize your customers to keep coming back to your store by giving them a loyalty or rewards program to sign up for. As if getting great service and awesome products isn't enough, you can give your customers some sweet surprises and let them really feel like VIPs.

There's virtually no end to the types of rewards you can offer your customers. From discounts to free gifts, vouchers to raffle entries – the only limit is your imagination!

> **Simply put:** *Win your customers over by having them feel like the winner.*

5. Ship orders quickly

This one is kind of a no-brainer. Of course you should ship quickly, the words "patient" and "customer" don't normally go together if you catch our drift. But the broader point is that you need to sharpen up on your [supply chain logistics](#).

Ecommerce supply chains already present advantages compared to those of brick and mortar stores including lower overhead, fewer opportunities for human error, and so on – but they still need to be tended to in order to keep delivery times as low as possible.

With only 15% of online retailers *always* meeting their [customers' delivery expectations](#), if you can nail down this point, you can secure a reputation as a reliable store that customers can count on.

6. Analyze metrics to reduce costs

Although analyzing your fulfillment performance data doesn't do much to directly persuade your customers to purchase from your store, it will give you insight that can help to reduce your costs.

The money you save by optimizing your fulfillment strategy can then be reinvested into your business in other ways that absolutely can increase your conversion rates. That extra cash may allow you to sign up for a paid app that can help you [optimize your landing pages for conversions](#), hire an ecommerce influencer to boost your marketing efforts, and so on.

> **Important note:** *The easiest way to keep track of all your store's costs, profits, and performance metrics is to use an automatic calculator like [BeProfit – Profit Tracker](#).*
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> *The app turns your store's complex data into charts and graphs so you can easily understand important metrics such as **cost per order**, but also view **order***

7. Reliable updates & communication

Even if your messages and updates are automated, the mere fact that you're staying in touch and providing your customers with information can help you win them over.

Don't believe us? In a recent study, 83% of online consumers said that they expect to get regular updates about their order's [shipping status](). That's massive, and also means that if you *don't* meet that expectation, you'll have just 17% of customers feeling okay about it.

Our suggestion? Follow this step and keep your customers in the loop. Nobody wants to be left in the dark, particularly when it comes to their money!

8. Offer multiple fulfillment options

By providing a range of different fulfillment options for your customers to choose from, you do several things that strengthen your business.

First of all, by just having the options there, it shows a greater level of professionalism. A narrow range of delivery options (or, worse yet, just one) sends a clear message to your customers: the order will get to them when it suits you, not when it suits them. We shouldn't have to tell you, but that's not a good business philosophy to run on.

Secondly, each of your customers will be somewhat different. They'll have different schedules of availability to receive orders, different budgets, different geographic distances from your distribution center, and so on. Even when you look at a single customer, they may have varying fulfillment needs depending on what they're purchasing.

The bottom line: having some flexibility with your fulfillment options will create a greater sense of comfort for your customers.

9. Choose a great order management system

You may be running your online business on multiple ecommerce platforms, with several suppliers, and through a variety of fulfillment points. In your efforts to keep all of those dishes spinning, you may find yourself stretched thin trying to keep up with all of the processes involved with each aspect of your complex business model.

Keep things simple with a top-of-the-line order management system. The best ones out there will integrate seamlessly with every platform you run, aggregate multiple data sources in one place, and allow you to properly manage all of your orders without breaking a sweat.

Of course, the downstream impact of using an order management system is that there will be fewer issues to deal with, and you'll have an [optimized consumer journey](#).

10. Customize your packaging

As we mentioned earlier, customers really do consider the packaging of their products when placing an order. But it doesn't stop at the *type* of materials being used – customers are, without a doubt, influenced by the *design* of their orders' packaging.

While it might seem like no big deal to you, branding your boxes and other packing materials can go a long way to improving your sales. In fact, [72% of American consumers](#) say that the design of a product's packaging influences their decision to make a purchase. Ignore the advantages of custom-branded packaging and ignore that majority of American online shoppers (at your own peril, may we add!).

Fulfill your business dreams

When your orders are fulfilled accurately, quickly, and consistently, you'll find that the rest of your business will be *so much* easier to handle. Use everything you learned in this guide to take your fulfillment to the next level and keep your customers happier than you ever thought possible. Now go fill those orders!

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