

Tuesday, April 27, 2010

[Online Retail in Australia Sucks - Part 3](#)



Despite what follows in this post, I'm actually normally a glass is half full type person but following on from our [previous two posts](#) I need to get another online retail related rant off my chest.

Online retailers need to ship their goods to customers, and that requires a good postal or delivery service. In Australia we've got a large company who have been blessed with a massive government funded infrastructure of postal stores and warehouses, they're called [Australia Post](#) and their service is terrible.

When shoes don't fit a customer, we remake them for free and the customer sends us back their ill fitting pair. Before we moved into our office we were working from home and I'd have customers send their shoes back to my home address. Now the idea behind a postal service like Australia Post is that they deliver things to the address someone writes on a package. I would have had about 30 packages addressed to my home and not a single one was actually delivered to me there. Instead I'd get one of those slips saying, 'Sorry we tried to deliver a parcel to you but you weren't home. Please visit your local Post Office to collect it.' For a while I thought it must have just been bad timing and I had ducked out whenever the post man came by, but after about 15 parcels I realised I was home when these slips were being dropped into my letter box, the post man wasn't bothering to ring my door bell to even see if I was home! One day, after being home all morning, I found a slip in my letter box and I went up to the Post Office to collect the parcel. I was told it wasn't there yet as the post man still had it in his van. So postal workers are literally driving around in a van full of parcels, dropping slips into everyone's letter box without ringing doorbells. Great service and environmentally friendly too.

After a few visits to the Post Office it became pretty clear there were a lot of other people who's door bells also weren't being rung, because there was always a long line up to collect parcels. And to top it off the Post Office clearly has no system for laying out the packages that require collecting. At times I've waited more than 5 minutes for a postal worker to sift through all the packages to find mine, with a big line up of people behind me.

After realising this was happening I was walking down the street one day and saw a post man delivering letters. I spoke to him to ask if he would mind ringing my doorbell with the packages. He was friendly and explained that Australia Post used contractors to deliver parcels separately to letters, so I should visit my local Post Office to ask them about the issue.

So, armed with another couple of 'Sorry you weren't home' postal slips I went to my local Post Office and asked them about the issue. I was told this comes up a lot and that I needed to ring Australia Post and lodge a complaint and

that I couldn't do that in the store. So I went home and did just that. Fortunately Australia Post are organised enough to have a 'Press 3 for complaints' menu option on their phone system (insert irony comment here) so I pushed that, waited the obligatory 10 minutes to speak to someone and lodged my complaint. I was told that they've made a note on my address and I shouldn't have this problem anymore. I made the point that this is probably happening to all my neighbours as well and I was told they'd look into it.

And this isn't all. We use a company called EMS to ship our shoes from China. EMS contract Australia Post to carry out the local delivery in Australia. We email all our customers a photo of their shoes, a note to say we've shipped them and a guide as to when their shoes should arrive. We regularly receive emails from customers in Australia (this happens in no other country we deliver to) about a week later asking where their shoes are. When we check the tracking details online we invariably see the message, 'Carded to Post Office' and the customer hasn't actually received a card. If this happened once or twice, maybe that's not the end of the world, but it happens regularly. Clearly my local parcel post contractor sucks, but there are worse ones out there who can't even be bothered leaving cards as they casually drive around the city in their van full of parcels. This is a bad experience for our customers and no doubt will make them less likely to purchase from us in the future.

So what's our alternative? Courier companies like DHL and UPS offer shipping from China to customers all over the world, but they don't have the same massive infrastructure base in Australia that Australia Post do, so to get a reasonable price from them we need to increase our volumes. We will be switching to them as soon as is humanly possible. In the meantime, we, like many other small Australia online retailers, are stuck using Australia Post.

With their wonderful level of service Australia Post is now applying to the ACCC to increase prices for their letters. In my, perhaps naive entrepreneurial mind, I don't think a company should raise prices unless their product and service is so good that customers won't mind paying the extra money. Clearly in the mind of a monopoly, you shouldn't have to follow the same rules. Fortunately the ACCC doesn't make it so easy for Australia Post to increase their prices and their application is still under review. Maybe if Australia Post stopped acting like a monopoly, and offered a reasonable service, the ACCC would be less inclined to treat them like one.

Posted by Michael Fox