



*Thousands of starlings make up a flock and fly in one direction because they synchronise their movements. Some cyberneticists also see the internet and its users as a sort of super-organism playing the role of the nervous system in the network of communication channels*

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# THE ENLIGHTENED BLACK BOX

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Logistics 3.0: Hermes is opening up new communication channels and is fundamentally redeveloping its relationship with customers and employees

**H**ermes says my parcel will come tomorrow. I say: "I'll believe it when I see it!"

"Dear Hermes parcel man, if MY name is not indicated on the parcel, then DON'T ALWAYS RING MY DOORBELL WHEN YOU HAVE SOMETHING FOR UPSTAIRS!"

"Hermes is able to deliver a letter that says my address for the package is incorrect to exactly the same address. Sounds logical."

Sometimes Hermes receives messages that at first sight seem strange. The people sending these messages are indeed called „Die\_Mutti“ or „chaotin“ or „neververtown“. They are however quite normal Hermes customers. They are just tweeting.

And Hermes tweets back: "If you have a problem, we're happy to solve it." Logistics experts have arrived in the world of the social media. And Alexander Lange, Manager Digital Concepts, is happy about it: "People didn't expect it. They are surprised: are you really talking to me on Twitter?"

For a service-oriented company which has 1.5 million customer contacts a day, the possibilities offered by these new communication channels are obvious. "If a customer has a problem because, for example, he is waiting for a parcel or a parcel is damaged, then he can contact us via Twitter or other social media channels such as the consumer protection site ReclaBox or the evaluation platform Qype. Our Community Support Team in the customer service department ensures that he receives a satisfactory answer as quickly as possible.

## Public dialogue

According to a study by the University of Bremerhaven, the internet offers the logistics sector completely new opportunities. Professor Heike Simmet sees huge potential here: "Social media do not just mean the opening of up new communication channels for our economy and society, but also a change in the culture of communication."

Public dialogue is gaining ever more ground alongside the communication managed and controlled by companies. For Lange this means a complete change in how we deal with the customer: "When somebody says something bad about Hermes on Twitter, our Community Support people see it and speak directly to the person in question: 'Send us your consignment number so we can check.' This surprised customers; there had never been anything like it before. Nobody was phoned up and asked about how he felt. Now we approach people directly and ask whether we can help them. Customers are very happy with this."

In a survey among the staff of German transport firms, it was established that 56.9% of employees regularly use social media. And, more than two-thirds of logistics employees felt that integrating internet platforms in their company was important. If that's the case, Hermes has long since taken the necessary step.

"You shouldn't set off without an aim", says Vivian Pein, Social Media Manager at Hermes. Regarding Facebook, Twitter and other such social media as merely an advertising platform is far too modest an approach for her. From the outset, it was important to make the company, which is often perceived by outsiders as a black box, more transparent. "It is also about bringing the people behind logistics closer to the customer."

## Looking behind the scenes

Complaints management is thus only one facet of social media use. There are other opportunities in the area of PR: when a TV commercial on the launch of the new small package was being filmed in 2011, Vivian Pein also recorded the shoot using her own personal camera. The pictures ended up on the Hermes YouTube Channel as a "making-of" video. "Just to show how a TV commercial is made," Alexander Lange explains, "what happens behind the scenes at Hermes."

A similar role will be played by the Hermes Logistik Gruppe Deutschland corporate blog, to be launched in 2012. The texts published there will not first

*“Social media also mean a change in the culture of communication for our economy and society.”*

PROF. HEIKE SIMMET

go through a PR filter. On the contrary, the aim is to showcase enthusiastic employees. In this context, very personal texts can then also be published. This helps to give Hermes staff a face and to give customers an opportunity to look directly into the company. Facebook will soon also play an important role in this respect – but not until the account can be managed in real time. “If you do something like that,” Pein says, “you have to do it properly.”

E-commerce is quickly forging ahead. Even today 75% of all Hermes deliveries have an online background. The goods are ordered on the internet, either by the customer directly with Hermes or via an online seller. Our customers “live” on the net – and Hermes has now joined them there.

Step-by-step, technical innovations are being taken up. The Hermes apps that have recently been made available is an example of such innovation. They can already be used if the customer is looking for a ParcelShop, wants to work out the price of a package or track a consignment. In 2012, after a major update, it will be possible to contact Hermes Directly using an iPhone, iPad or Android smartphone. It will also be possible for users to generate parcel labels and ask for a parcel to be collected. Lange raves about the new online opportunities: “Perhaps one day it will be possible, by using the app, to log into our portal from a mobile phone and view existing orders – for example eBay orders which have been printed online on myhermes.de – and also place new orders. The smartphone would then become the customers’ mobile cockpit.

### New fields

Another field is the use of certain platforms to recruit new staff. Hermes has recognised the opportunities offered by networks such as Xing. A corporate channel for HLGD already exists there, which is integrated in the human resources sector and publishes job adverts and vacancies.

However, headhunting, i.e. actively approaching potential staff, does not yet exist. But the above-mentioned corporate blog will certainly have the power to attract young and specialist staff because they will get to know the company more or less from the inside. Academics like Heike Simmet speak of an “enormous

potential for staff recruitment via social media, above all among the younger target groups”, and also believe that “it is becoming more and more important for companies to present an attractive image online for the purposes of employer branding.”

Media innovations are also planned for other links in the logistics chain. Hermes of course offers businesses track-and-trace facilities on the internet, be it for procurement, transport or distribution. Hermes-OTTO International, Hermes Transport Logistics and Hermes Fulfilment will soon offer a joint web-based and visible value added platform which will allow direct intervention in production and supplier management.

At the other end are the modern online scanners which allow live data on the status of a consignment to be entered into the system. “Because we are now faster in this area, we will in future be able to offer better or completely new services”, says Alexander Lange. Such as ADD/UP Connected Channels, the joint venture of Hermes Fulfilment and the fashion logistics company Meyer & Meyer. Integrated multi-channelling is the name of the game here: “The final customer can order an article that he has seen in the catalogue,” explains Rene Bittner, Managing Director of ADD/UP, “have it delivered by courier to his home, return it to a branch if he does not like it and, while he’s at it, receive a cash refund or exchange the item.” ADD/UP thus offers cross-linking between stationary and distance selling and also effective management for the sale of textile products. Inventory management, returns management and cross-linked data management are integrated components of a single service.

The challenge is to connect all the channels together, from the purchase of goods to delivery to the final customer. And, in so doing, there is a transparent picture of stocks and movements of goods.

It is clear that all of this is changing the company and will change it even more in the future. From the parcel shipper that Hermes once was, the Group is increasingly being transformed into an information logistics provider and to a service provider that can be reached always and everywhere. ■

*More and more customers are sending messages via Facebook or Twitter – Hermes is adapting to this*

*“We are getting faster and will in the future be able to offer better or completely new services.”*

ALEXANDER LANGE