FIDELITONE™

SUPPLY CHAIN SUCCESS STORY

PROTECTING THE CUSTOMER EXPERIENCE AT EVERY TOUCHPOINT

With consumers increasingly viewing their delivery experience as part of the overall brand experience, not measuring up in customer feedback would never be acceptable to this luxury home goods retailer.

AT A GLANCE

Company: Luxury home goods retailer

Industry: High-end retail

Key Challenge: Less-than-exceptional delivery reviews threatened customer relationships and any future business with them.

Solution: Ensure complete delivery satisfaction with no surprises when it comes to the condition of product upon arrival at the home.

Outcomes – first six months:

- Overall delivery defect rate dropped by more than 50% in the first four markets we served
- Retailer's expenses during the period dropped nearly $200,000
- Delivered dollar value was 15% higher than plan

Background

Negative feedback from customers regarding their delivery experience was threatening repeat business for the retailer in two key markets. Drivers weren't friendly, customers said; product damages in transit were delaying deliveries or creating surprises in the home; and store personnel were increasingly frustrated by missed store delivery schedules.

Good experiences drive sales

A predictable and stable revenue base is the lifeblood of any business, in terms of projecting future sales and protecting or enhancing valuation. With the retailer's average order value in excess of $2,200, lost revenue on repeat business due to a bad experience, over the lifetime of a customer, would be substantial.

KEY CHALLENGE

Acting on unsatisfactory customer delivery data, the retailer began looking for a delivery partner they could trust and grow with — across multiple key U.S. markets. But they needed to be sure the service levels met the high expectations of their valued customers.

With each new market rollout, the amount of deliveries would increase each week, at every hub, over an accelerated period of time. Delivery service needed to remain consistent. An efficient onboarding process would be necessary to ensure quality and consistency of the customer experience.

Ninety percent of all deliveries would be to the retailer's customers; the other 10 percent would be to their stores.

Driver Training

Through an investment in resources, FIDELITONE made sure its delivery drivers understood and exhibited exceptional customer service, as well as understood and adhered to the retailer's standard operating procedures. Post-delivery surveys would be monitored closely to ensure training effectiveness.

A FIDELITONE "A-team" traveled from zone to zone to train all driver teams, as each new market was onboarded. Topics included proper blanket wrapping, in-home service and care and the returns process.

Store personnel, unhappy with the previous partner's missed or late store delivery track record, were pleased not only with the FIDELITONE team's punctuality (on time to meet 7:00 a.m. delivery schedules) but also with the in-store setup/merchandising support they provided.

Transit Time

In order to improve time in transit, FIDELITONE gauged each hub on a few areas of speed:

- Speed to first call once product is received in full

- Number of days in transit for local zones
  (goal: less than four)

- Total days in transit for all zones
  (goal: less than seven)

On-time deliveries needed to meet or exceed the retailer's 95 percent goal. Each of the six FIDELITONE hubs met the goal, improving delivery quality and speed to customer.

Reaction time to scheduling the first call went from within 48-hours to within one hour of freight arriving at our warehouses, due to our automated scheduling workflow.

Returns Management

The previous provider was not managing returns accurately, leading to customer dissatisfaction and operational challenges for the retailer. By keeping inventory well documented, training delivery teams on the proper returns process and improving the defect rate for returns, we were able to generate demonstrable improvements.

Furniture Repair

By providing furniture repair services in our hubs, which impact defect rates, we are able to fix minor product flaws or damages in a timely fashion, thereby reducing unnecessary delays in deliveries and minimizing the possibility of dissatisfaction or product return.

Onboarding/New Market Rollout Speed

New markets were added rather quickly, averaging every three months over a 16-month period. Onboarding for each market took approximately 30-45 days. Consistency of the rollout was critical. The amount of stores FIDELITONE would be serving, and the amount of deliveries we would be making, would grow substantially, from approximately 40 deliveries initially to more than 200 deliveries per week and, ultimately, 30,000 deliveries annually.

As part of the onboarding process, FIDELITONE provided the client with access to real-time order and delivery data via a partner portal, which included providing local stores with track and trace visibility.

How can we help you meet your service and performance objectives? **Call 800.475.0917**

FIDELITONE™

EARNING CUSTOMER LOYALTY

FIDELITONE, a supply chain management firm, helps you earn your customers' loyalty through specialized services in inbound logistics, order fulfillment, last mile delivery, and service parts management.

We manage resources, create right-fit solutions, and optimize supply chain processes to advance your business performance and profitability. At every step and in every service, FIDELITONE employees focus on the touchpoints that safeguard your brand and keep your customers coming back.

We're paying attention to what matters to you in your business. We're paying attention to what matters to your customers when you entrust your brand promise to us. We're building high-performing answers to your toughest supply chain challenges.

Call 800.475.0917 or visit fidelitone.com