

Savvy Supply Chain Strategy

Supply Chain Cost Savings Benefits Online Furniture Retailers

Almost any business can benefit from cost savings in the supply chain. One notable example that poses some unique hurdles is the emerging trend of online furniture sales.

With burgeoning web-only furniture e-tailers lacking established linehaul networks, logistics companies are being approached to provide solutions. Even legacy brick and mortar retailers with networks in place are asking the logistics industry to build separate supply chains for online sales, especially to locales not serviced by in-house networks.

Furniture delivery poses three key transportation challenges: managing lofty costs, improving speed and providing comprehensive service and communication.

Heavy, bulky, often fragile freight means furniture retailers' supply chain costs are high in comparison to the value of the goods. Plugging furniture deliveries into the traditional small parcel model simply doesn't work. Creative logistics providers can add value and reduce cost by offering end-to-end home delivery solutions tailored to support this commodity.

Speed is also a prime concern. The old four to five week delivery window – or even today's two to three week timeline – is no longer acceptable. Cutting-edge linehaul models with turnaround in just days offer retailers a key differentiator. Also, speed to market shortens the window for customers to experience buyer's remorse, a colossal expense for online retailers.

Significantly, more consumers are expecting 'white glove' services when an order arrives. These final mile options – unpacking, assembly and debris removal, for example – call for specialized carrier networks offering additional skills beyond standard tracking and scheduling service.

Final mile performance, however, is meaningless if logistics companies don't also provide best-in-class telephone and web support to their retail clients' online shoppers. Customer service personnel on the logistics side must relay timely delivery details and other communication, express empathy as needed and present an integrated experience with the client's customer service group so that consumers aren't given reason to second-guess a purchase.

Smart logistics companies will cut costs by simplifying and streamlining their customers' supply chain. Exceptional logistics companies will go a step further by viewing their role as the final, critical step in securing an online sale. Such seamless partnership will reward the savvy online retailer with an enhanced online shopping experience, lower return ratios and more satisfied customers.



Vaughn Moore, President and CEO
AIT Worldwide Logistics

Smart logistics companies cut costs by simplifying and streamlining their customers' supply chain. Exceptional logistics companies go a step further by viewing their role as the final, critical step in securing an online sale, especially for furniture e-tailers.

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