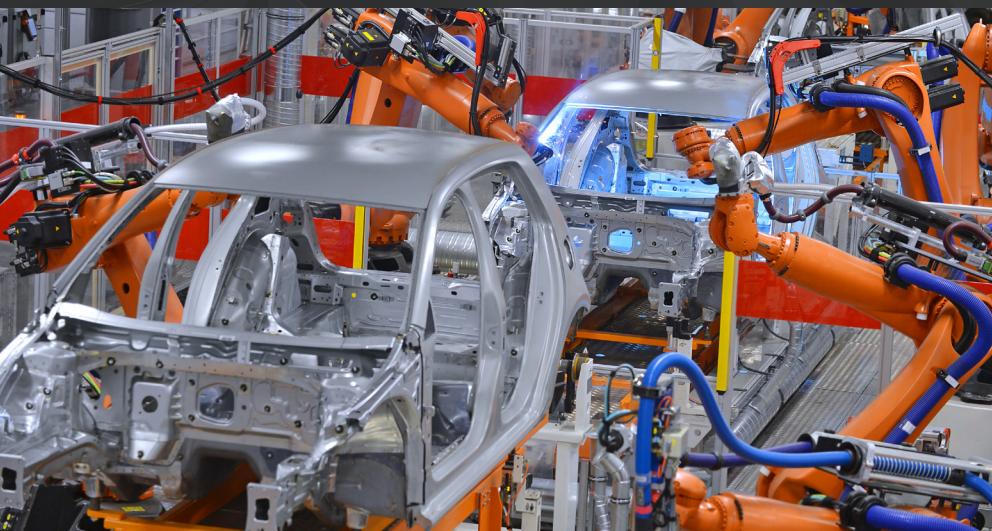


CASE STUDY: Improved Kitting Means Faster Delivery, Lower Costs for Loyalty Program



Client:
Global Automotive
Parts Manufacturer

Market:
Automotive

Solution:
Loyalty Kits

Services:

- Print Sourcing
- Promotional Products Sourcing
- Package Design
- Kitting and Fulfillment
- Distribution

Benefits:

- Faster speed to market
- Up to 20% cost savings
- Supplier consolidation

Situation

A multi-billion dollar global manufacturer of automotive parts is known for its popular loyalty program for aftermarket dealers. For a modest cost, retailers, wholesalers and jobbers can sign up annually to receive a kit with print and promotional products, including one highly customized item of greater value.

In the past, the company sourced its promotional items from multiple vendors across the country, which had to ship product to its distribution partner in the Upper Midwest. It took several weeks for program members to receive their kits when the new program year began. Because of the lack of consolidation, freight costs could be excessive.

Solution

Taylor Communications has managed all of the manufacturer's aftermarket marketing print since 2012. Several years ago the company also gave Taylor the responsibility for sourcing and distributing 22,000 kits to its dealers in the U.S. and Canada for their loyalty program. There are three versions: U.S. (English), Canadian (English) and Canadian (French).

Taylor produces or sources the kit's collateral and branded merchandise components, which vary from year to year. These can span everything from USB drives to large custom items that in some cases are sourced overseas.

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Once components are chosen for the new kit, Taylor designs a corrugated container to fit the dimensions of the largest item while minimizing size and keeping under OSHA-mandated weight limits. Since kits are delivered to a variety of retail locations, they need to be light enough for employees to handle without a forklift.

Kits are assembled in advance during late October and early November and kept in inventory for the first wave of shipments early in January. As subscribers sign up after the big annual campaign, the company compiles lists and sends them to Taylor for fulfillment. Kits are shipped immediately. Taylor can handle hundreds of orders per day, even providing same-day shipping if orders are received early enough.

Taylor was able to minimize the cost of “freight in” by consolidating shipments from promotional suppliers and aggregating them at its 335,000 square foot logistics center in Jeffersonville, Indiana, and a third-party logistics center in Ontario, Canada.

Benefits

With a deep understanding of this large customer, acquired from years of managing its print, promotional products and distribution, Taylor Communications was able to recommend changes that yield documented savings of up to 20% of the cost of producing and shipping its loyalty kits. Even more important to this customer, Taylor was able to get kits into the hands of valued channel partners in just 3 days, compared to 2 weeks with previous suppliers. By consolidating suppliers, the manufacturer also reduced the amount of time and effort its marketing staff spends to manage the program, allowing them to concentrate on other revenue-building initiatives.