

Case Study: Improved Distribution Streamlines Retail Campaigns for Leading Wireless Provider



Situation

One of the nation's leading wireless providers was searching for a way to move the distribution of their point-of-purchase (POP) materials and in-store marketing collateral from a decentralized process to a more standard, centralized approach. They worked with multiple print and logistics vendors across the country and had no common point of entry or integration to meet the needs of their more than 14,000 locations nationwide. Further, there was no way to measure or forecast collateral needs at the store level. Finally, the stores themselves were overwhelmed by the sheer number of separate shipments they were receiving each month.

All of this was leading to obsolescence and waste from damaged materials. There were even needless re-orders when signage went missing at stores because the package had been set aside or misplaced. The total cost associated with these issues was reaching more than \$30 million annually.

Solution

Taylor Communications was able to develop a solution that addressed these issues and more. The first step was analysis of the locations, order patterns and shipping costs. Based on the results, it was determined that the optimal solution would be a combination of multiple warehouses for distribution of in-store marketing collateral and a dedicated center to manage all point-of-purchase signage. Taylor Communications national network of distribution centers allowed for the strategic selection of centers to minimize shipping costs and time en route.

Client:
Leading Wireless Provider

Market:
Telecommunications

Solution:
Nationwide distribution of point-of-purchase signage and collateral

Services:
Distribution, logistics, inventory management and package design

Benefits:

- \$18 million in annual savings
- Faster speed to market
- Scalable solution to support campaign deployments to 14,000 locations
- Better information for planning
- Increased end-user satisfaction

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Today, three collateral fulfillment centers ship over 4 million pieces of collateral each month and provide efficient inventory control for over 21 million pieces of collateral. A dedicated POP center handles “pushes” (rollouts) of signage on a weekly basis. Unique “wave” technology calculates the most efficient picking and packing to meet shipment timing needs so that materials arrive on time.

In addition to the physical aspects of the solution, Taylor Communications deployed Web-based technology that integrated with the company’s existing planogram system to support “pull” replenishment orders from each location. As a byproduct, this same technology measures true collateral demand for each individual location and uses this forecast in each subsequent “push” of new collateral. This level of accuracy minimizes re-order costs and provides accurate production quantities, which in turn minimizes obsolescence.

Finally, Taylor Communications has been able to provide more than simply distribution. Serving as a true partner, Taylor Communications has developed unique packaging solutions that eliminate problems with heat sensitive materials while reducing the weight of the packaging by nearly 60%.

Benefits

With Taylor Communications guidance, this leading wireless provider is saving \$18 million annually on its retail POP distribution:

- \$5 million in warehousing and distribution costs
- \$7 million in freight costs from shipment consolidation and packaging weight reductions
- \$6 million by reducing collateral obsolescence from 30% to 8%

In addition to these savings, the company is now able to launch high volume market “pushes” nationally with greater speed and ease. Today, most distributions take less than 3 days versus 10 days with prior methods.

Standardized packaging makes it easier for recipients to identify materials and get them displayed properly at the right time, thereby making life easy for busy staff in its retail outlets. The new packaging also protects materials better during shipping, with 99.9% of materials now arriving undamaged.

For the marketing department, more robust reporting and available data has markedly improved their ability to plan launches and create targeted, effective campaigns.

By providing a scalable national platform for distribution and fulfillment, Taylor Communications has prepared its client for future expansion of its wire and wireless business units.