



Retailer Increases Customer Loyalty by Enhancing Delivery Quality

Grand Junction Platform Reduces Customer Phone Calls by 32%, and Damages by 35%



I.O. Metro is a specialty lifestyle furniture retailer that sells modern and eclectic furniture, art, and accessories in 18 locations across the South, the Midwest, and online. To compete against the likes of Restoration Hardware and Pottery Barn, it heavily depends on fierce customer loyalty, which is achieved by ensuring that its products and the customer experience are high-end and one-of-a-kind.

One way I.O. Metro creates a high-end customer experience is by offering “white glove” home delivery: The delivery is scheduled in advance, the product is assembled and situated in a specific room, and boxes, packaging, and old furniture are taken away. While its larger competitors use a fleet to perform deliveries, giving them significant control over quality, I.O. Metro found itself needing to use the local delivery industry (local carriers and couriers).

The retailer quickly found it difficult to manage a multi-market network of 12 local carriers. Quality was the greatest concern. I.O. Metro had little control over its carriers’ processes, and one poor delivery experience—whether a long delay between placing an order and scheduling its delivery, or a damaged corner on a table—could cause a loyal customer to take his or her business elsewhere. Lou Spagna, president and COO, recalls, “When we evaluated our delivery program, we realized a significant amount of labor and expense at both the stores and headquarters was going into managing our home delivery providers to achieve the customer experience we wanted.” Considering the company’s ambitious expansion plans, it was apparent that its delivery challenges would quickly start to erode its margins, customer loyalty, and, ultimately, sales.

Innovative “Self-Managed” Approach and Tight Collaboration Improve Quality

I.O. Metro’s supply-chain team determined that it needed a centralized system that could do everything from comparing on-time performance across local delivery companies to coordinating issue responses across carriers, stores, and headquarters. The team was surprised to find that most quality and performance issues could be solved by the local delivery companies themselves, if only they had the technology to identify issues before the customer experience suffered.



Company Profile

- ▶ Stores across the South and Midwest
- ▶ eCommerce sales channel
- ▶ Multi-state home delivery network
- ▶ Unique, high-end product
- ▶ Customers expect high-end experience
- ▶ Aggressive store expansion plan

Challenges

- ▶ Difficulty controlling delivery quality
- ▶ 48 hours to resolve many delivery issues
- ▶ No visibility once shipment leaves the facility
- ▶ Inability to tightly coordinate across stores, HQ, DCs, and local carriers
- ▶ Logistics operations not scalable Solution

Solution

- ▶ Grand Junction platform

Although transportation management systems (TMS) seemed promising, they didn't have the required customer relationship management (CRM) capabilities, and they wouldn't help the local carriers self-manage. Spagna describes, "We tried to build a solution, but it proved to be expensive to maintain. And when we evaluated transportation management systems, it was apparent that they wouldn't address our unique challenges of customer delivery."

GrandJunction's Cloud-based platform not only gave I.O. Metro real-time visibility and control over its local carriers, but it also put quality-enhancing capabilities in the hands of the local carriers, empowering them to fix issues themselves.

Prior to implementing GrandJunction, I.O. Metro had no visibility as to what was happening with an item once the distribution center handed it off to a local carrier. Customer service's response time to such simple questions as "When can I have my sofa delivered?" or even "Where is it now?" averaged 48 hours. Coordinating returns, determining responsibility for damages, and issuing credits required many emails and phone calls between the customer, the store, Finance and Operations, the DC, a third-party logistics provider (3PL), and the local carrier. While monthly data requests let I.O. Metro measure each local carrier's quality and performance, they didn't give timely visibility down to the individual driver level, and thus I.O. Metro couldn't effectively compare fleets or devise strategies for improvement. It was constantly operating in a reactive mode that was putting its competitiveness, and customer loyalty, at risk.

Within weeks of teaming up with GrandJunction, I.O. Metro had real-time visibility across its local carrier network. GrandJunction's experts integrated I.O. Metro's carriers into its marketplace and quickly trained



GrandJunction provides real-time visibility into quality with insights that help drive continuous improvement. By giving our platform to the shipper's local carriers, the local carriers can self-manage quality, which means lower costs and less work for the shipper.

them to use the software to proactively manage deliveries using alerts and dashboards that align with the retailer's quality concerns (such as missing items prior to a driver leaving the dock, and timeliness of delivery scheduling). I.O. Metro now only needs to verify that the local carriers are taking care of developing issues before they end up impacting customers. For those few issues that do escalate, or complex situations such as investigating damages, GrandJunction's built-in CRM capability enables the local carrier and various teams across I.O. Metro to tightly coordinate their responses and act as one organization.

Marketplace Enables Expansion and New Delivery Services

As it looks to open stores in new markets, I.O. Metro can turn to GrandJunction's marketplace of over 700 of local carriers. Each integrated local carrier provides real-time delivery information down to the driver and item levels, and I.O. Metro can seek out carriers who are already using GrandJunction's platform for white-glove delivery, allowing the retailer to easily maintain a high-quality, consistent delivery experience. It can also quickly introduce new services such as same-day delivery.

Today I.O. Metro maintains a level of quality that is comparable to companies operating their own fleets. At the same time, it has been able to signifi-

cantly lower delivery-related operating expenses. As it opens stores in new markets, it knows that with GrandJunction it has the capabilities and local carriers to continue delivering exceptional customer service.

Results Achieved

- ▶ Customer service call volume was reduced almost overnight by 32%
- ▶ Most calls able to be resolved while on phone and the average response time improved by 98%
- ▶ Lost and damaged goods decreased by 35%
- ▶ Other types of quality issues decreased nearly 20%
- ▶ Charge approval time for carriers decreased by 25%

Contact our experts to learn how software can enhance the quality of your customer deliveries.



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