

Kitchenware Direct Ensures Maximum Customer Satisfaction with Australia Post and NetSuite



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—Peter Macaulay
Managing Director, Kitchenware Direct

Company at a Glance

Location:

Australia

URL:

www.kitchenwaredirect.com.au



Partner Name:

Startrack and Australia Post

Location:

Australia

Industry

Kitchenware Direct, based in Perth and founded in 1992, is Australia’s premier online kitchenware store. One of the largest specialty retailers of cookware and kitchenware, the family-owned business sells over 10,000 kitchen products across categories such as appliances, bakeware, cookware, glassware, living, and tabletop, which come from leading brands including Cuisinart, KitchenAid, Le Creuset, and Magimix. Kitchenware Direct also operates a number of other websites including Clocks Direct and Hospitality Direct.

Challenge

As Australia’s premier online kitchenware store, Kitchenware Direct is constantly looking for new ways to further increase customer satisfaction and therefore ensure repeat business. The retailer is always eager to make life easier for its customers by offering more convenient ways to receive products ordered from Kitchenware Direct.

Solution

Kitchenware Direct has adopted the Australia Post Parcel Collection Widget, the first of the service integration points in the Australia Post SuiteApp, and the first deliverable in a major, long-term strategic partnership forged between Australia Post and NetSuite. The online retailer is now able to offer its customers the convenient delivery option of picking up their Kitchenware Direct purchases from Australia Post’s burgeoning parcel collection network and retail stores across Australia, most of which are accessible on a 24/7 basis.

Results

Kitchenware Direct has seen rapid adoption of the parcel lockers by its customers and is receiving many positive reviews of the new convenient and secure delivery option. Being able to offer customers deliveries to convenient and secure locations for pick-up around the clock is proving very helpful to the retailer in resolving the period between when the postal service attempt to deliver a package and when the customer receives it.

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Managing Director, Kitchenware Direct

“We have been running with the Australia Post Parcel lockers widget since November 2014 and have seen a significant number of our customers making the choice to use 24/7 lockers. In spite of no on-site promotion from us, we have seen 250 of our orders use a locker in December 2014 and 151 in January 2015. We believe we have only scratched the surface of what the locker widget can do in terms of sales uplift and customer satisfaction,” said Peter Macaulay, Managing Director, Kitchenware Direct.

Customer Convenience and Peace of Mind

As an online retailer, it is vital that Kitchenware Direct can stand behind and guarantee every stage of the order-to-delivery process to ensure customers have an excellent experience which they're eager to repeat again and again. Until now, the final step of the delivery process—the period of time a product delivery may remain uncollected at a post office—has proved a hard nut to crack.

By taking advantage of the Australia Post SuiteApp, Kitchenware Direct has been able to successfully solve that puzzle. Now, the retailer is able to provide customers with a flexible and secure self-service pickup option—the parcel locker—which suits their busy, daily lives. At the same time, through its use of the technology provided by Australia Post and NetSuite, Kitchenware Direct is able to have complete visibility into the entire end-to-end order-to-delivery process.

“Many of our customers are not home during the week when their goodies arrive,” said Peter Macaulay, Managing Director of Kitchenware Direct. “This new service provides a delivery alternative for our customers and gives them the guarantee to receive goods purchased at a time and place convenient to them.”

Business Value from Tight Integration with NetSuite

Kitchenware Direct had already been working closely with both NetSuite and Australia Post on an individual basis for many years. The retailer was therefore delighted to take advantage of a strategic partnership between two organisations which are both so vital in helping to power its business. A NetSuite customer since 2008, Kitchenware Direct runs its business on the single unified NetSuite cloud-based business management suite including customer relationship management, order management, inventory management, ecommerce, and accounting operations. Australia Post is Kitchenware Direct's sole shipping partner.

Kitchenware Direct originally chose NetSuite to replace a mish-mash of poorly integrated point and manual solutions including an MYOB accounting system, a point-of-sale (POS) system, an inventory system, and a credit card transaction terminal. The disparate systems, which required costly full-time IT support, were a hindrance rather than an enabler of Kitchenware Direct's plans for increased growth and business process efficiency. In NetSuite, the cookware retailer has found a flexible unified cloud-based business management suite which fully supports its rapidly growing business. In fact, Kitchenware Direct was able to increase online sales a staggering 917% within four years of going live with NetSuite.

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—Peter Macaulay
Managing Director, Kitchenware Direct

The end-to-end visibility and integration that NetSuite provides, means that Kitchenware Direct has complete visibility of over 10,000 stock keeping units (SKUs) and is able to send out the vast majority of customers’ orders within 24 hours. Since moving to NetSuite, the retailer has seen gross margins increase by 4% while the error rate on order fulfilment has plummeted from 2% to 0.2%. Kitchenware Direct also estimates that adopting NetSuite has helped it save \$150,000 per year in IT systems integration and maintenance costs.

“NetSuite is the only cloud-based ERP system in the Australian market able to integrate all the different functions we need and provide a seamless process from order to dispatch to delivery,” said Macaulay at Kitchenware Direct.

Happy Customers Generates More Sales for Retailers

Australia Post began offering a free service, known as MyPost Deliveries, in November 2014. The service gives customers more choice over where their parcels are delivered to—whether to their home, a post office, or to the new delivery option, a parcel locker—with the added flexibility of being able to change delivery location every time they shop online.

“Our core strategy is to have Australia Post as the supplier of choice when people buy or sell online,” said Ben Franzi, General Manager of Sales, Global Ecommerce Platforms at Australia Post. “Through talking to consumers, we discovered that one of the key remaining barriers to them fully embracing shopping online and repeating that experience is not being home to receive their parcels. So, we developed a strategy about choice and convenience.”

Australia Post now provides a new delivery alternative that doesn’t rely on the consumer to be at home to receive their purchase—self-service parcel lockers—secure pickup locations across Australia accessible 24 hours a day, seven days a week.

According to recent research by Australia Post, 84 percent of parcel locker customers report they are ‘extremely likely’ to use the service again and 41 percent of those surveyed add that they’ve increased the amount of online shopping they do since using a parcel locker.

Here is how the parcel locker process works: When making an online purchase, a customer signs up for MyPost account on Australia Post’s web site for one or more lockers close to home or close to work. They’re then assigned a locker location and personal identification number. When the customer places an order online, they enter that locker location as their delivery address. Then, when the package is delivered to the locker the customer selected, they receive a notification via text or email with a unique one-time security code so they can access the locker. When they arrive at the locker bank (each bank contains 80 lockers), they enter their unique one-time code to open the locker and retrieve their package.

Customer-Centric Commerce Delivered Through Omnichannel Parcel Delivery

Australia Post is partnering closely with NetSuite to provide retailers such as Kitchenware Direct with access to the full range of its postal delivery offerings via the NetSuite cloud platform. This collaboration enables integration between Australia Post's offering and NetSuite via a complete suite of application programming interfaces (APIs). The APIs are provided as an Australia Post SuiteApp built on top of NetSuite's cloud-based business management suite using NetSuite's SuiteCloud development platform. In the case of the parcel lockers, Australia Post has built a Collections API which helps route a parcel to the locker specified by a customer.

"We are really excited about working with NetSuite as one of the market leaders in this space," said Franzl at Australia Post. "When we went through our strategy, we picked key market leaders to partner with. When we looked at cloud, we immediately thought of NetSuite."

The integration between NetSuite and Australia Post's services including the parcel lockers allows Kitchenware Direct to manage and have visibility into the entire end-to-end process from taking a customer's order to ensuring customer receipt of that order.

"We are the only platform that could offer that kind end-to-end capability with Australia Post," said Mark Troselj, VP and General Manager of ANZ for NetSuite. "We're modeling this partnership on the relationships we already have in place in the US with FedEx and UPS. The idea is to automate all the processes between NetSuite and Australia Post so there's no chance of retailers or suppliers falling between the two systems."

"As an online business with 10 branded ecommerce sites under our umbrella, we are always looking for new ways to provide convenience to our customers and we jumped at the opportunity to leverage Australia Post's parcel lockers through our NetSuite platform," said Macaulay at Kitchenware Direct.

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