

How this online retailer achieved a 30% cost reduction

About

Torque King 4x4 is an online retailer of off-road vehicle parts based in Billings, Montana. They are an OEM parts distributor and exporter of a large selection of 4x4 special tools, genuine original equipment parts, quality aftermarket parts, and service kits for 4x4 vehicles from 1941 to today's latest models. Torque King offers customers free shipping on all orders over \$300, which means they incur the cost of most large shipments.

Challenge

As the shipping volume increased, the Torque King team realized the significance of meeting customer expectations. Initially, the team believed that they were managing their shipping expenses well. However, they soon realized that they were unaware of the areas where they could negotiate for discounts, especially the surcharges.

Solution

ShipScience was able to save Torque King 30% through thorough analysis and negotiation of their contract terms. While some savings were achieved through service discounts, the majority came from negotiating terms that were not originally included in the contract. This was all accomplished through careful analysis and negotiation.

Impact

Aside from lowering their overhead by reducing shipping spend by 30%, the Torque King team predicts that these cheaper shipping costs will result in a lower instance of cart abandonment. In fact, they've already seen this come to light.



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