

# AIT Delivers Flexible, Cost-effective e-Commerce Fulfillment Solution for Inflatables Retailer

## The Challenge

A popular retailer of high-quality inflatable products relied primarily on one of the most popular e-commerce sites to sell and fulfill their products. The inflatables would be shipped via transpacific air or ocean freight from Asia to pre-designated fulfillment locations in the United States. This solution was inherently risky because the e-commerce giant could redirect the retailer at a moment's notice to send their orders to other far-flung distribution centers for fulfillment. This uncertainty meant additional shipping costs could pop up at any time and inflatables arriving in one region of the U.S. might have to be redirected to another region with little notice.



## The Solution

Continuing to sell high-end pool toys and mattresses via the e-commerce giant's site was important because this was the best way for the retailer to reach new and existing customers.

Likewise, continuing to use the e-commerce site's well-established fulfillment system that handles final mile delivery to consumers was more cost effective than trying to bring fulfillment in-house. The e-commerce experts at AIT knew they could design a cost-effective solution that would avoid surprises when being directed to send product to one of the e-commerce site's 37 distribution and fulfillment centers scattered across the U.S.

The inflatables retailer had been using forecasting tools to decide when to import their products from China and to determine where the products should arrive in the U.S. AIT suggested building a product inventory at a central U.S. location – AIT-Omaha. This solution would provide three key benefits.

First, a centrally-positioned inventory meant orders could be shipped to any of the e-commerce site's 37 U.S. distribution centers both quickly and economically – 100% of deliveries are accomplished in one to three days. Second, warehouse space (including handling and labeling fees) in the Omaha market is more affordable than keeping inventory in other proposed markets on the U.S. east or west coasts. Finally, AIT-Omaha's bonded warehouse is also a Free Trade Zone. This means that payment of duties and import taxes for the retailer's products can be delayed until they are finally sold to consumers.



### The Result

AIT's e-commerce solution has delivered cost savings and flexibility for the inflatables retailer. The warehouse solution at AIT-Omaha is scalable, flexible and cost-effective. AIT manages the arrival of hundreds of ocean containers, the warehousing of thousands of pallets and the distribution of product with time-definite truckload and less-than-truckload (LTL) deliveries to the e-commerce site's 37 U.S. fulfillment centers. Order fulfillment is faster, unexpected re-positioning of imported containers has been eliminated and stockout situations are a thing of the past.

### Did You Know?

Certain goods being imported into the United States can be exempt from import duties if they meet Section 321 specifications. A single item valued at less than \$800 and being delivered directly to a U.S. citizen can be cleared under Section 321 of the U.S. Customs Act without incurring any import duties.

The cost savings opportunity for retailers and consumers is clear. But the specifications are strict and when it comes to customs clearance, every shipment is different. As a full service transportation management leader, AIT's e-commerce experts work closely with our customs clearance team to develop a supply chain solutions that fulfill your unique shipping requirement. Contact AIT today to learn more.

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For more information about our full service scope, please visit our website or call us toll free.

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