



case study

LUSH

Consumer Goods

GEOGRAPHIC AREA SERVED
United States and Canada

CHALLENGE

Add speed and efficiency to the processing and delivery of online orders of bath products from Canada to U.S. consumers, in a way that enhances customer service while also reducing costs.

SOLUTION

Automate and integrate customer and shipping systems, consolidate shipments prior to cross-border transport, then send individual orders to their final destinations at domestic rates.

RESULTS

- Accelerated order fulfillment
- Enabled customers to track their orders online
- Increased accuracy of orders
- Improved inventory control
- Generated significant transportation savings
- Reduced customs brokerage costs
- Boosted labor productivity

LUSH Showers U.S. Market with Enhanced Service

LUSH Fresh Handmade Cosmetics is the Vancouver, British Columbia, subsidiary of a U.K. cosmetics chain. They produce handmade, luxury bath and beauty products for a thriving catalog and e-commerce market. The company hired UPS to add speed and efficiency to order fulfillment for its e-commerce clientele.

Client Challenge

LUSH bath and body products are made by hand and in limited quantities from fresh fruits and vegetables and the finest essential oils. The company uses as few preservatives as possible and aims to provide customers with the “freshest products in the history of cosmetics.” Speedy delivery and order accuracy are crucial to ensure freshness and build customer loyalty.

At its Vancouver headquarters, LUSH produces cosmetics for LUSH retail outlets and fulfills catalog and e-commerce orders from individual customers. LUSH products have made a big splash in the United States, where every week devotees log onto lush.com. The U.S. market accounts for the majority of LUSH’s online business and continues to expand.

The surge in volume from south of the border prompted LUSH to seek a third-party logistics provider. The goal was to streamline and speed up order processing and fulfillment, to ensure that U.S. customers received the best service possible without incurring unnecessary shipping expenses.

“It was a tall order,” said Sam Azad, LUSH’s Web and Mail Order Development Manager. “We considered proposals from other logistics companies, but only UPS offered us a complete solution.”

Our Solution

UPS looked at LUSH’s entire fulfillment process, from taking an order through final delivery. LUSH prepared the shipping and customs documents for each order manually.

The individual shipments were then sent directly from Vancouver to their U.S. destinations at an international shipping rate plus a customs brokerage fee. When a customer called to check the status of an order, LUSH personnel would have to phone the shipping company to find out the order’s tracking number and shipping status, then call the customer back to provide the information.

UPS implemented a UPS Trade DirectSM Cross Border solution which consolidates multiple orders at a UPS Supply Chain SolutionsSM facility in Canada, then moves bulk shipments to the border, reducing LUSH's transportation costs. UPS Supply Chain Solutions then clears the bulk shipment through customs as a single entry, saving LUSH more money by eliminating multiple brokerage fees. The bulk shipment is received at a UPS Supply Chain Solutions logistics facility in the United States where it is broken down into individual orders and delivered to individual customers at domestic rates, leveraging the UPS transportation network. In addition to reducing costs, the simplified process accelerated order fulfillment and gave LUSH greater control over its inventory, minimizing the consequences of overstocking or running out of popular items.

The entire process is so fast and seamless, LUSH's U.S. customers rarely notice that they are ordering products from another country, he added. "We know that we have the quality products that consumers want. And now, thanks to UPS, we know that we can deliver efficiently."

LUSH also opted to integrate UPS technology with their own order processing and fulfillment functions. When a customer places an order online, a tracking number is automatically generated. Both LUSH staff and customers can log onto UPS.com[®] anytime, day or night, to track their orders. "We've reduced staff time spent tracking customer orders by 90 percent," Azad said.

"We know that we have the quality products that consumers want. And now, thanks to UPS, we know that we can deliver efficiently."

—Sam Azad
Web and Mail Order
Development Manager
LUSH

For more information on LUSH, visit www.lush.com.

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