

The Company

MexGrocer.com is a nationwide bilingual online grocery store for hard-to-find, non-perishable authentic Mexican food, household products, cookbooks and other related products from Mexico. Founded in 2000 and based in San Diego, California; MexGrocer.com streamlines the difficulty of having to drive to multiple conventional grocery stores in search of authentic Mexican products. Specializing in products not commonly found at conventional grocers, MexGrocer.com also provides an expert solution to all amateur chefs looking for authentic Mexican food recipes. Offering secure shopping, complemented by rapid and reliable delivery services, MexGrocer.com has experienced a solid compound annual growth rate of approximately 32% during its first 7 years. MexGrocer.com ships goods to every state in the United States – to over 100,000 customers – in more than 18,000 cities.



The Challenge

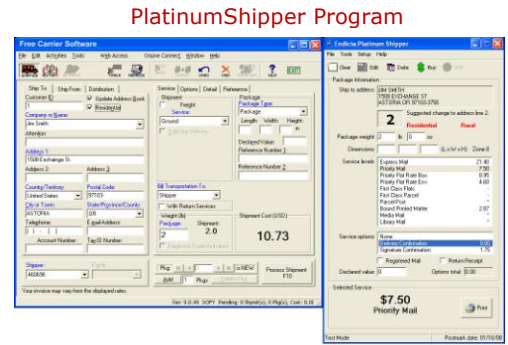
“Shipping costs were the biggest barrier for our customers to order” says vice president Nacho Hernandez. *“We also wanted to improve service levels so that orders would flow from our warehouse to our customer's hands faster, with the quality they deserve and at less cost to our company”*. To remain competitive, MexGrocer.com opted to subsidize an estimated 25% of shipping costs for their customers. Recognizing the negative business impact of this shipping strategy, Mr. Hernandez contacted his local USPS sales professional for help. *“We started to brainstorm ideas on how we could optimize our fulfillment with USPS and reduce costs”*. They found a large bulk of orders greater than 13 ounces where the current parcel carrier applied additional residential, rural and fuel surcharges. They recognized that USPS Priority Mail could provide great savings on these packages without sacrificing delivery service. In addition, USPS Priority provided savings compared to 3-day, 2nd day and even next day via USPS Express Mail. Having recently helped another online company with similar challenges, USPS sales contacted Jason Wurfel at AME-Systems for advice.



“Tamale Lovers Gift Pack”

The Solution

After discussing the challenges at MexGrocer.com, Jason recommended the PlatinumShipper program. PlatinumShipper allows MexGrocer.com to see hidden surcharges and perform instant USPS rate comparisons before the orders are shipped. If the USPS is selected, PlatinumShipper produces a convenient, pre-paid postage label through their existing label printer. Since PlatinumShipper uses existing carrier software and hardware, it provided a quick and simple solution to the challenge. ***“When we switched more shipping volume to the USPS through the help of Platinum Shipper and AME-System's setup, the subsidizing costs practically vanished”*** says Mr. Hernandez. PlatinumShipper also helped streamline the USPS shipping process on APO/FPO, PO Box and International orders. ***“These orders were a manual, time consuming process that Platinum shipper reduced down to a few simple steps, and accepting PO BOX addresses into our checkout process opened up additional orders from our website”***. After installation, MexGrocer.com increased USPS shipping volume by 250%, adding more parcels to their daily USPS package pickup plan.



The Results

After 90 days of using PlatinumShipper, Mr. Hernandez analyzed the savings and estimates his company will save \$28,000 per year! ***“We love the product”*** says Mr. Hernandez, adding ***“we've been waiting around for nearly 5 years for a product like this, and now we're looking at results. You're implementation and support have been outstanding - Thank you”***. By partnering with the USPS and implementing Platinum Shipper, MexGrocer.com improved fulfillment efficiency, enhanced customer service levels and created a competitive advantage by reducing overall shipping costs. MexGrocer.com regained their marginal profit value on USPS orders and set the stage for a much healthier business operation.



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