

SHAPING UP LAST MILE DELIVERY TO SURPASS CUSTOMER EXPECTATIONS

Finish strong. A frequently-used motto in the health and fitness industry. For NordicTrack, the motto is not only heard when customers are coming to the end of a virtual exercise class, it's also on display daily through the last mile delivery of its fitness equipment to homes across the country.



THE OUTSOURCING DIFFERENCE

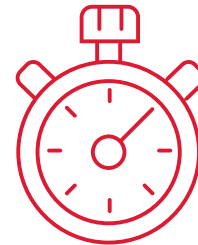
Since partnering with Ryder, NordicTrack has achieved:

4.68 out of 5 customer
satisfaction rating



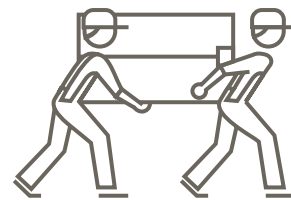
2.8 DAYS order cycle time down from
20 DAYS in metro areas

100% visibility on
item delivery



97% on-time delivery

55K+ deliveries annually



56 MIN avg. assembly time of
equipment by driver teams

NordicTrack, the Logan, Utah-based brand known for its treadmills, bikes, ellipticals, and rowers has been a leader in home fitness equipment for more than 45 years. In fact, sales of its bike, treadmill, and elliptical are consistently in the top three in the country in their respective category. As sales continue to rise so does the demand for on-time delivery, expert assembly, and exceptional customer service.

“With today’s expectations and getting the product to our customers, not only is it important to get it set up and have them use it, but to get their equipment there quickly,” says Tann Tueller, Sr. Vice President at ICON Health & Fitness, the parent company of NordicTrack.

Tueller added, the home delivery of a product leaves a lasting impression on customers. It’s the final touchpoint of a sale and could be the beginning of a lifelong relationship between the consumer and company. For this crucial touchpoint, NordicTrack partnered with Ryder Last Mile in 2015 to provide customers with in-home delivery, assembly, and set-up of the equipment.

Through its solution, Ryder Last Mile provides over-the-threshold, white glove deliveries with two-person teams. Most equipment is assembled within an hour. The two-person team will also show the consumer how to use iFit – the brand’s digital subscription platform that includes live and on-demand workouts, as well as Automatic Trainer Control which digitally adjusts the incline, decline, and resistance of the equipment.

“We are going through a pretty big transformation in terms of not only being known as the manufacturer of the equipment, but now enhancing the technology to offer live and on-demand classes with top personal trainers,” said Rob Critchley, Sr. Director of Logistics at ICON. “Ryder has been leading the way helping us with the customer experience. Last mile delivery teams are now not only going into the home, doing their white-glove assembly, they are now onboarding customers to the subscription service to kick start their iFit experience on the equipment. Ryder is making that experience what it needs to be for the consumer.”

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Tueller added, “There is nothing worse for us than getting the product into the customer’s home and them not connecting or creating an account. If they don’t, the chances of them being a repeat customer diminishes drastically. Ryder has helped us bridge that gap.”

The driver teams are highly skilled at conducting set-up and assembling the NordicTrack equipment, as well as instructing consumers on using iFit. The experience and professionalism of the drivers has created the lasting impact the brand looks for from its consumers. On-time delivery rates are above 97% and based on post-delivery surveys, customer satisfaction is an average of 4.68 out of 5. Equipment returns have also decreased.

Along with its last-mile solution, NordicTrack benefits from Ryder’s scale as a supply chain solutions provider. To expedite delivery, the brand uses Ryder facilities for forward deployment of inventory. This practice has diminished order cycle time from up to 20 days to, in some cases, two days.

“This experience has been exceptional with the help of Ryder,” Critchley says. “Customers have gone to an Amazon-like experience where they are clicking checkout and getting the product within two days. Ryder has been instrumental in making that happen for us.”

The partnership proved to be even more vital when the Coronavirus pandemic hit. Typically, NordicTrack has its peak season from November to March. However, the purchase of home exercise equipment spiked during the quarantine and

has not stopped since. According to Critchley, the company experienced unprecedented growth. And, in August 2020 – a typically slow month – it surpassed the sales of November 2019.

As orders spiked, Ryder Last Mile stepped in to ensure the customer experience remained paramount. Through hourly communication and daily reports, the teams were able to work together and keep products moving without a hitch.

“Communication was key because when the pandemic started, everything was changing rapidly,” Critchley says. “We turned off white glove, and couldn’t deliver to certain areas. We had to manage customer expectations, and add in measures to keep drivers and customers safe. It all came down to the communication of our teams.

The partnership continues to strengthen as the teams work on being nimble and continuously improving the solution for the future. Both companies are looking for ways to use technology to build and improve the customer experience. The companies are also working on a solution to use slip sheets instead of pallets. The solution will help NordicTrack save hundreds of thousands of dollars per year.

“It’s just a great partnership. It comes down to great communication and a willingness to take whatever it is that we need done, and for Ryder to come up with a solution,” Tueller says. “We’re looking for partners that, although it may not be easy, find a way to make things happen. Ryder has done a great job being that partner.”

About NordicTrack

NordicTrack and its sister companies iFit, ProForm and FreeMotion are based in Logan, Utah and owned by ICON Health & Fitness. ICON Health & Fitness is the global leader in home, commercial and connected fitness for over 40 years. ICON holds more than 275 fitness patents, with 138 pending. iFit, the connected fitness technology that powers NordicTrack equipment, pioneered interactive connected fitness and was issued its first of many patents in 1999. Founded with the belief that the majority of consumers would benefit from an interactive personal training experience at home, iFit's trainer-led streaming workouts are now trusted by millions of consumers around the globe.



About Ryder System, Inc.

Ryder System, Inc. is a leading logistics and transportation company. It provides supply chain, dedicated transportation, and commercial fleet management solutions, including full service leasing, rental, and maintenance, used vehicle sales, professional drivers, transportation services, freight brokerage, warehousing and distribution, e-commerce fulfillment, and last mile delivery services, to some of the world's most-recognized brands. Ryder manages more than 250,000 commercial vehicles and operates more than 300 warehouses encompassing approximately 55 million square feet. Ryder is regularly recognized for its industry-leading practices in third-party logistics, technology-driven innovations, commercial vehicle maintenance, environmentally friendly solutions, corporate social responsibility, world-class safety and security programs, military veteran recruitment initiatives, and the hiring of a diverse workforce.

