



# Radio Flyer electrifies Canadian e-commerce customers with Tesla Model S for Kids launch

100-year-old celebrated toy company teams with UPS to open a new sales frontier



## Case Study: Radio Flyer

Radio Flyer is an iconic toy company best known for its popular red toy wagon, and also for scooters, tricycles, ride-ons, bicycles and other safe, high-quality toys that spark imagination and inspire active play. The Chicago-based company was founded 100 years ago, in 1917.

### Challenge

Radio Flyer saw an opportunity for a first-ever, direct-to-consumer, e-commerce opportunity outside the United States. To offer a hot new Tesla kid's car at a competitive rate in Canada, the company needed low total logistics costs and top-notch customer service that maintained Radio Flyer's high standards.

### Solution

Radio Flyer and UPS teamed up to design a distribution model to fulfill direct-to-consumer orders in Canada using standard ground delivery from the United States. An automated brokerage system and website order system gave online customers fully landed costs, and ended delivery sticker shock due to added fees.

## Results

- International expansion without new warehousing, hiring or training costs
- Lower cross-border brokerage costs, supporting stronger online conversion rates
- Streamlined logistics that saved six figures annually in costs
- Customizable online order capabilities for Canada
- Customer experience fulfilling Radio Flyer's coveted "little red rule" of service, which states, "Every time we touch people's lives, they will feel great about Radio Flyer."

# A little toy car revs up a growth engine for international e-commerce

For a century, every kid in America wanted a Radio Flyer®. The iconic brand on Radio Flyer's safe, high-quality toys and signature product — its little red wagon — represents childhood freedom at its best.

Now, every kid in Canada can get a custom Radio Flyer®, too. For the first time ever, Radio Flyer ships e-commerce products directly from its Chicago base to Canadian homes.

The international e-commerce venture is driven by a Tesla kid's car that Radio Flyer began selling in summer 2016. Fully featured, fully customizable, as the company puts it, the Tesla Model S for Kids is a drivable battery-powered vehicle. Customers go to [tesla.radioflyer.com/build.html](https://tesla.radioflyer.com/build.html) where they can choose paint colors and other accessories online to personalize rides and "recreate the ultimate Tesla experience to introduce the next generation of drivers to electric vehicles," as Radio Flyer says.

More than 90% of Canadians have online access, making it one of the most wired nations on Earth. Still, opening direct-to-consumer delivery for the first time north of the border required careful deliberation.

"Our customer experience is always first with Radio Flyer," says Mary Kate Venturini, Radio Flyer's marketing manager. "We're very meticulous in how we treat our customers, and we always want to provide them with a great e-commerce and purchasing experience."

Radio Flyer called on long-time, trusted-solutions advisor UPS for help.

## Lower total logistics costs enable venture

The Tesla Model S for Kids came with challenges.

The vehicle is long (55 inches) and heavy (50 pounds). Its lithium batteries must be shipped separately, a packaging and compliance challenge. What's more, Radio Flyer worried that targeting Canada would impact the cost for consumers. Any large capital investment would raise costs for a high-end product that had to have a competitive price to attract Canadian buyers.

UPS delivered solutions. "We helped Radio Flyer offer a strong international consumer experience at a low total logistic price," says Jerry Slubowski, UPS senior account executive. "That made the difference in Radio Flyer's expansion decision."

Jake Guffey, Radio Flyer's production and supply chain manager, agrees. "For the international launch of the Tesla Model S for Kids, UPS came up with the right solutions on how to ship the product at a low cost and keep customer service a top priority."



"UPS understands what we need, from helping Radio Flyer choose the lowest-cost shipping options for our e-commerce expansion into Canada to growing brand loyalty with a great customer experience."

— Jake Guffey  
Production & Supply Chain Manager, Radio Flyer

## Solutions drive sales

Radio Flyer and UPS devised a plan to fulfill the Canada market with UPS Standard ground shipping — no costly new Canadian distribution center or staff required. To support the customer experience, the teams set up an online automated brokerage system that fully calculated total costs on every Tesla kid's car order — prior to purchase — on the website. When orders arrived, customers owed nothing — not one extra Canadian penny. The solution eliminated surprise fees, reduced delays, gave up-to-date tracking capabilities, and shipped orders same-day. Customers can even control the time and place of delivery with UPS My Choice™.

Radio Flyer and UPS — two strong brands that have collectively earned the loyalty of customers for more than 200 years — created this expansion opportunity through mutual trust.

"Our companies have worked together for 37 years, and we have a strong relationship with open lines of communication," says Guffey.

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"We worked with Radio Flyer to make shipping to Canada as easy as shipping to Iowa," says UPS's Slubowski. "We know Canada, and we know how to help companies succeed there."

