

nChannel Case Study

Texas Tamale Company

Texas Tamale Company Grows Plump with More Conversions and Cash-In from nChannel

Overview

Country or Region

USA

Industry

Multichannel retailer selling a range of fresh and frozen Mexican-themed food including tamales, salsas and more.

Customer Profile

A robust web store, deli location and food items in grocery stores and retailers around the USA have fueled TTC to grow by nearly 20 percent annually and sell more than 3,000,000 tamales.

Business Situation

Processing orders by hand was consuming up to six hours a day of employee time. Incorrect data entry was costing TTC time and money.

Solution

nChannel was chosen from numerous competitors because of its convincing references, case studies and track record. nChannel's company culture and work ethic also played a role in being chosen.

Benefits

- Short implementation time
- TTC now converts and closes approximately 20% more online sales
- Data entry time reduced by 35%
- ROI expected in only 12 to 15 months after installation

Culture and Retail Philosophy

Texas Tamale Company (TTC) in Houston, Texas, sells 70 Mexican-themed food items from its web store and deli location, grocery and health-food stores in 32 states, and drop-shipments via WilliamsSonoma and Goldbely.

Its gluten-free tamales are top sellers, with November-December orders reaching 600 daily. In 2013, TTC sold over 3,000,000 tamales for the year. Its inventory also includes 22 kits, which combine tamales, salsas, hot sauces, chilies, dips, barbecue rubs and sauces, Bloody Mary mixes and TTC's own rice blend.



TTC's Recipe for Success

TTC is successful because it combines a well-executed web strategy with unforgettable customer experiences, resulting in annual growth nearing 20 percent. As the business continues to

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grow, it is critical that it maintains this recipe for success.

TTC is truly multichannel. Its Magento web store generates 40 percent of its revenue thanks to clear layout, logical navigation and single-page checkout. TTC builds loyalty by providing gift cards, a fan signup page and Mexican recipes with TTC items.

TTC's management and staff are also very focused on providing exceptional customer service in stores. The company replaces and reships missed deliveries and badly addressed shipments at no cost to the customer.

"Texas Tamale truly lives by our customer-based, team approach," says Scott Black, TTC Regional Manager, Sales and Marketing. "We make a lot of decisions collectively to ensure we stay true to core values."

Holiday Hassles and Year-Round Challenges

TTC installed Sage 100 ERP (Sage) in 2003 and has been very satisfied with its inventory, purchasing and financial reporting. Yet, Black points out, "Our previous necessity to hand-key every order into Sage was time-consuming even under normal loads. It chained a multi-tasking employee to the keyboard for up to six hours a day."

Winter crunches were far worse. Black says, "During winter holidays, we hire five or six temps, but they need training on data entry, the

complexity of our kits, the carriers and every other detail."

TTC's first web store boosted revenue but also increased the demands for order entry.

"Normally that's a tradeoff you're happy to make," says Black. "But with perishable foods, that's not always viable. Whether you have 50 orders or 500, people want their food fresh and on time."

Selecting nChannel

Black has a strong technology background, so he was tasked with remedying TTC's order-processing bottlenecks. He needed user-friendly eCommerce software and a way to ensure the web store could immediately and accurately exchange relevant data with the company's backbone software (Sage).

"We decided on Magento Go for our eCommerce software," says Black. "In selecting a connectivity solution, my criteria were online reviews, case studies, customer references, quizzing their tech staff and overall costs. Some pricing was way out there! Most crucially, the solution had to transparently trade data fields back and forth between Magento and Sage."

Black reviewed and spoke with competitors. nChannel's easily won.

"Compared to nChannel," says Black, "the others' online reviews weren't convincing. I wasn't certain the other companies' could totally execute our project—or stay in business."

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“We reached out to nChannel in August 2013,” says Black. “nChannel’s online references and case studies were very convincing, and their track record was highly applicable. nChannel always had on-point answers to my probing questions. Then they would ask me probing questions I hadn’t thought of! I liked their company culture and work ethic.”

Smooth Installation

“Implementation began mid-March, took three months, and our system was fully operational by June, including tweaks,” says Black. “nChannel’s development staff fully installed the nChannel software in a couple of hours. It pulled in product, customer, vendor and other fields from Sage and populated them into the Magento Go eCommerce suite. Magento was vital to raising the flow and speed of our web orders—yet it’s really nChannel that supercharges Magento’s throughput.”

nChannel’s implementation specialist ensured that TTC’s proven business rules for item syndication, order routing, inventory synchronization, customer

We convert and close about 20 percent more online sales because nChannel speeds up order processing.”

- Scott Black, Regional Manager, Sales and Marketing, Texas Tamale Company

data and other pertinent information were accurately configured. The vendor led the testing and verified the new multichannel environment was delivering as promised. nChannel is now essentially selfmaintaining.

Magento absorbs web orders, then triggers each one (including customer and order data) through nChannel and into Sage, which captures all shipping and tracking data from the warehouse for posting. Shipping data goes to nChannel and back to Magento, which auto-emails each customer. Staff enter phone orders and new items into Sage, which pushes them to nChannel, which sends it all to Magento so everything is available in the web store. Black says, “To fulfill orders, we just print an order, pick, box and ship.”

Financial and Operational Benefits

Black enumerates nChannel’s direct and indirect benefits. “nChannel’s system-wide data transparency knocks down the Tower of Babel that plagues most multichannel eCommerce retailers. Its overarching deliverable is standard and uniform integration of all your eCommerce data including order, customer, item and shipping/tracking fields.

“We’re on track for system payback in 12 to 15 months after installation. Then, it’s all gravy. We convert and close about 20 percent more online sales now because nChannel sped up processing the new orders the Magento site brings in. A huge benefit!

“We have intuitive navigation, appear much bigger, and have one-page checkout. The old site looked

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small-town and brought in cranky phone calls. Now, people order without calling and they shop longer. We get compliments, not complaints. Without nChannel streamlining and cutting our steps, even our new site wouldn't give us this ROI."

In February 2015, TTC will launch a redesigned website with even greater integration. nChannel's end-to-end connectivity will again be crucial.

"nChannel's software, service and support are helping us continue a 20 percent growth curve, but now we add people more slowly. Since nChannel slashed data entry time by 35 percent, staff are freer to jump on any production or service bottleneck. Keyboarding errors are way down so we save money on do-overs. When a few people left, we didn't hire new. And I expect we'll get through the winter crunch with only a couple of temp hires—not five or six."

Advice from a Project Veteran

Black assesses several ways multichannel retailers can ensure smooth transitions using connectivity software:

- Consult early with hands-on staff that enter and fill orders; they know crucial details and shortcuts.
- Involve nChannel even before choosing your eCommerce software. "They probably have a smarter way to synchronize eCommerce, ERP and connectivity," says Black.
- Dedicate one person on your team as your centralized go-to expert. "nChannel's entire

sales and delivery cycle—from Darren in sales to Jimmie in development, Karen in accounting, and now Jen in customer support—has been incredibly professional and smooth. They don't miss a beat," says Black.

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