

STAPLES

BusinessDelivery



Canada Post:

Staples® Business Depot™ Case Study

**A Winning Combination for B2B: Cross-channel
Marketing, Addressed Admail™ Service and
SmartFlow™ Recover Service**



From anywhere... to anyone

“Addressed Admail service ensures that our marketing initiatives are actually influencing the right behaviour in the right customers.”

*Dwayne McMulkin,
Manager of Marketing
Programs in Canada, Staples*

Staples, inventor of the office superstore concept, is the world’s largest office products company. Staples is committed to making it easy for customers to buy a wide range of office products, including supplies, technology, furniture and business services. The company operates more than 300 locations in Canada alone and earns \$27 billion in sales worldwide through its retail stores, telephony and business-delivery channels.

Cross-channel shoppers spend more

Cross-channel shoppers are those people who make purchases through more than one channel. Some of these cross-channel shoppers, for example, might buy in the store and online, while others might make their purchases in the store and via the phone. As cross-channel shopping is becoming a more common and seamless experience for customers, retailers are pursuing a multichannel shopping strategy to build strong relationships and increase profitability.



In 2008, Staples Canada developed a B2B cross-channel direct-mail campaign using Addressed Admail service from Canada Post. The campaign used two mailing lists: the first consisted of inactive delivery and retail prospects who had not made a purchase from Staples in the past 12 months. The second consisted of prospects from a Dunn and Bradstreet list that Staples identified as new with no previous shopping record or history. The main goal of the campaign was to measure uptake in coupon response compared to other non-cross-channel campaigns.

The value of cross-channel marketing

“Research has shown that there’s considerable value to companies being able to identify and encourage cross-channel shopping,” says Sunita

Kumar, Canada Post’s Account Executive for Staples. “A customer who historically has shopped only in one channel, for example only in the store or online, usually ends up spending on average 20 to 50 per cent more overall after becoming a multi-channel shopper.”

Two mailings were sent, each with a different offer. The first mailing offered recipients \$20 off delivered or in-store purchases of \$150 or more. The second mailing offered recipients \$20 off delivered purchases of \$150 or more made during the first three weeks of the offer, or two cases of copy paper at a cost of \$65 during the second three weeks of the offer. The mailings were distributed randomly to names on both lists.

“Cross-channel marketing will permeate all of our different direct marketing

mediums in 2009," says Dwayne McMulkin, Staples Manager of Marketing Programs in Canada. "Whenever possible, we will strive to make it easier for our B2B and other customers to shop, regardless of what channel they prefer. This means that, when the offer and vehicle make sense, we will push to have all coupons cross-channel and will also run dedicated cross-channel promotions."

However, McMulkin points out that it doesn't make sense for all offers to be cross-channel. While there is overlap in Staples' delivery channel and retail channel customer bases, the target audience for each is different. Delivery-channel customers are mainly small to medium-sized businesses while retail-channel customers are mainly consumers and small home-office businesses.



Delivery flyers that feature case paper, toner and multi-packs will not be as attractive to the retail audience, which is looking for reams, ink and single packs.

Advantage of Addressed Admail service

Addressed Admail™ service from Canada Post was perfect for this cross-channel campaign. The offer was put literally into the hands of each prospect, enabling Staples to measure the strength of the offer while learning its customers' preferred channels for doing business.

"The extensive nature of Staples retail network makes it crucial that our promotional marketing efforts are as targeted as possible," says McMulkin. "Otherwise, we'd simply be pushing coupons to active customers who would have bought from us anyway. Addressed Admail service ensures that our marketing initiatives are actually influencing the right behaviour in the right customers."

SmartFlow™ Recover service: The benefits

- Reduce the cost of future mailings and help the environment
- Reconnect with customers faster
- Improve mailing list accuracy
- Update and organize your mailing list
- Recover collateral and merchandise
- Secure mail disposal

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SmartFlow Recover service: Turn your undeliverable mail into opportunity

McMulkin also used SmartFlow Recover service from Canada Post for the mailings to help him get the most from his marketing dollars. The service handled all returned mail, scanned it, and provided a reason for the return. This enabled McMulkin to either correct customers' contact information or remove the names from future mailing lists.

"We want 99 per cent of our direct-mail offers to reach the intended recipients. Address validation and database cleansing is crucial to ensuring that happens," says McMulkin. "Our goal will always be to improve the quality of our house file and Canada Post's SmartFlow Recover service is helping us do just that. With budgets being cut and expenses being scrutinized more than ever in 2009, it will be critical that we are as efficient as possible in our offline direct-marketing communications. Part of increased efficiency will include purging bad addresses from our house file, which will help us reduce our production and operating costs on mailings, and help protect the environment by ensuring that we have a minimal number of returned items."



About Canada Post

Canada Post is a leading provider of direct mail and other targeted-marketing solutions. Businesses, charities and other groups use Addressed Admail service to promote their products and services to leading customers and prospects on a targeted and personalized basis. For more information, please visit canadapost.ca or call 1-866-747-3871.