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Project:	Specialty Retailers Works to Retain Customers When They Move
Vertical Market:	Retail
Business Application:	Direct Marketing/Traffic Generation/Loyalty

Specialty Retailers, Inc., with four different brands in different geographic areas, sends postcards to newly moved customers with a personalized map showing driving directions from their new address to their nearest store and offering them 25% off their first purchase. The program has achieved redemption rates as high as 42%.

Program Objectives

- Retain customers after they move to new locations
- Communicate with the customer within the first 30 to 60 days in his or her new location in an effort to ensure that the customer continues to shop with the Specialty Retailers family of stores

Significant Results Reported by User

- Coupon redemption rates as high as 42%
- Repeat foot traffic in stores from new movers after the initial coupon redemption

Description

Specialty Retailers, a clothing retailer with 660 locations throughout the South Central and East Coast states, knew it wasn't retaining all of its customers when they moved. In part, this was because these customers didn't know where the nearest store was in their new location, and in part it was because they didn't recognize the brand. (Specialty Retailers operates under four brand names — Bealls, Palais Royal, Stage, and Peebles — in different areas.)



One of Specialty Retailers' marketing analysts suggested sending postcards to charge-card holders whose addresses changed, to let them know where their nearest store was. Specialty Retailers worked with a printer to produce postcards offering a 25% discount and providing a map of the route to the nearest store. If the local store was a different brand from the one where the customer had previously lived, the postcard let the customer know that his or her existing store charge card would work in the new store as well.



The cards worked very well, but the printer could not produce the personalized maps efficiently. After two years, the printer withdrew from the project. Specialty Retailers started looking for an alternative and turned to ImageSet Digital, a digital printing specialist in Houston. ImageSet Digital also found the maps to be a challenge, but after putting significant effort into working with a software developer on a new approach, ImageSet Digital was able to revive the production of the postcards in January 2007.

The postcards measure 6×11 inches and are printed in full color on both sides. Variable elements include the greeting, the address, and the map. There is also a bar code that is scanned at the register to track redemption of the 25%-off offer. Two versions are printed: one for customers whose nearest-store brand has changed, and the other for those whose brand is still the same.

The cards are produced and mailed monthly in batches of 4,000 to 8,000, and they continue to be very effective. The redemption rate has gone as high as 42%. Specialty Retailers is reluctant to disclose much detail about the ROI, but Kathy Barbee, Specialty Retailers' Director of Advertising Operations, was willing to reveal that most of the customers who move do eventually make a purchase in the new location, and the postcards cause this to happen sooner. Some customers who would otherwise be lost are retained because of the program. And purchase amounts by those who redeem the postcards are above average.

Client	Specialty Retailers, Inc. www.stagestores.com Specialty Retailers, Inc., operates retail clothing stores under four brand names: Bealls, Palais Royal, and Stage in the South Central states, and Peebles in the Eastern and Midwestern states.
Print Provider & Agency	ImageSet Digital www.imageset.com ImageSet is a printing communications company based in Houston and specializing in on-demand printing. Applications include short-run color printing, Web-to-print solutions, variable data and one-to-one marketing, large-format display graphics, and e-business services.
Hardware	HP Indigo 5000, Duplo DC-645
Software	HP Indigo Yours Truly for variable data composition; proprietary programs for map generation
Target Audience	Existing charge-card holders whose addresses have changed within the past month
Distribution	4,000 to 8,000 cards per month
Date	Monthly, beginning January 2007