

## CASE STUDY:

# Purolator Helps U.S. Software Retailer Reach Canadian Ecommerce Customers with “Distinctly Canadian” Experience

A U.S. technology retailer wanted its Canadian eCommerce customers to enjoy the same delivery promises and customer service standards integral to its U.S. success.

### Introduction

A top-U.S. retailer of computer hardware and software decided the time was right to expand online capability to the Canadian market. But rather than be perceived as “another U.S. company doing business in Canada,” this retailer had a vision in mind to become an integral part of the Canadian domestic retail scene.

Among other things, the retailer built a marketplace through which Canadian consumers could access a wide array of products ranging from furniture to

household appliances to TVs and cellphones. These products were available through a linked network of Canadian ecommerce sellers. The retailer’s goal was to provide a uniquely Canadian experience, and appeal to Canadians’ strong sense of national pride.

At the same time though, the retailer recognized the need to replicate the high standards in place for U.S. customers for Canadian shoppers. All deliveries to U.S. shoppers are made within three days. Returns are accepted within 30 days with a Returns Material Authorization (RMA), and processed within 72 hours of receipt. And high quality service is an absolute priority.

They quickly saw their challenge would be to find a way to offer guaranteed, fast delivery to Canadian consumers, regardless of their locations, fulfill expectations for optimal customer service, and do so in a way that had a “Canadian feel” to it?

The solution was surprisingly easy: partner with Purolator International. The retailer was drawn to Purolator for two reasons: First, Purolator is the pre-eminent provider of logistics services for shipments between the United States and Canada. And second, Purolator has unmatched roots in the Canadian market. Purolator is the wholly owned subsidiary of Ontario-based Purolator Inc., an iconic Canadian brand that is Canada’s largest integrated parcel and freight services delivery company. Purolator’s distinctive red and blue logo is a familiar sight throughout Canada, and no other U.S.

company can match Purolator International’s Canadian credentials.

## **Purolator’s unmatched Canadian expertise helped the company give its eCommerce a “Canadian feel.”**

To solve this retailer’s logistics issues, Purolator took advantage of its deep distribution networks in both the U.S. and Canada to build a customized solution, and add flexibility into the retailer’s supply chain. An important resource was Purolator’s courier services capability, which enables cost efficient, ground-based solutions, but with delivery options more commonly associated with air service.

In order to meet the retailer’s strong desire for minimal transit times, Purolator focused on maximizing inventory balances. It was essential for orders to be fulfilled from a location as close to the end-consumer as possible. Purolator was able to leverage the retailer’s two U.S. distribution centers – one based on the east coast and one in the west, to establish clear induction scenarios: Consumers in western Canada would be serviced by the retailer’s west coast DC, and those in eastern Canada would receive shipments from the east coast facility.

As with all Purolator shipments, the retailer’s products arrived at the border with all required paperwork pre-filed for expedited clearance by Canada Border Services Agency customs officers.

All duties and taxes were pre-paid, so that customers were never faced with unexpected invoices for additional fees. Shipments benefit from a hassle free clearance into Canada, and then complete their transit to the end customer via a Purolator vehicle, driven by a uniformed company driver.

Today the retailer is a major force in Canadian ecommerce. The company has since opened a new warehouse outside of Ontario, which has greatly improved transit times and inventory management. The company has been so pleased with its entry into Canada, that it has since launched ecommerce capabilities in additional international markets.

## **Purolator’s extensive Canadian distribution network guarantees for on-time delivery.**

### **Purolator’s Ground Service Resembles Other Carriers’ Expedited Service**

The California-based retailer was impressed by Purolator’s extensive distribution networks, both in the U.S. and especially in Canada. Through its access to regional transportation, warehouse and distribution center options, Purolator is able to customize a logistics solution that meets the precise needs of each customer. The importance of this for ecommerce shipments traveling into Canada cannot be understated.

While the retailer’s previous ecommerce logistics provider was unable to offer a cost efficient solution

that came close to meeting its delivery expectations, Purolator was able to build a solution that met expectations at a surprisingly effective price. Purolator essentially offers an expedited-type service, but at ground level pricing.

Shipments are picked up at one of the retailer’s two U.S. distribution centers and travel directly to a Purolator processing center located close to the Canadian border. Smaller shipments are consolidated into larger units, for faster border clearance processing and reduced transportation costs.

Once in Canada, shipments are unconsolidated, and then enter Purolator’s Canadian distribution network. This includes a unique partnership with Canada Post, that country’s national postal service. Through Canada Post, Purolator is able to guarantee delivery to every residence in Canada, including the most remote locations, as well as to P.O. boxes.

This uniquely Purolator solution allows shipments to arrive on-time, with no outstanding fees, and customers are able to track their packages every step of the way.

### **Technology Solutions Allow full Trace/Tracking Capability, Shipping Efficiency**

As a seller of computer hardware and software, it’s not surprising this retailer had high demands for its logistics partner’s technology capability. In fact, the retailer was thrilled with Purolator’s solution.

Purolator’s IT professionals have designed a web-based portal, known as “Beacon” that allows the

seamless integration of customers’ data with Purolator’s network. Through Beacon, Purolator was able to easily link the two operating systems, enabling numerous efficiencies including labeling, tracking, report generation, billing, order histories and, of course, customs-related paperwork.

## **Purolator’s customized technology solution seamlessly integrated with the retailer’s allowing critical customer service capabilities.**

Among the many benefits of this technology-driven process, has been a noticeable drop in the number of calls to the retailer’s customer service center. Customers have full trace/tracking capability as their package moves through the delivery process, and can also access their account history.

### **The Purolator Brand is Iconic in Canada**

Canadian consumers are serious about their national patriotism, and surveys have shown a willingness to forego convenience and lower prices to stay true to a domestic brand. Supporting this sense of national pride was very important to this retailer as it prepared to extend its U.S.-brand into Canada.

In choosing Purolator, the retailer not only ensured unmatched logistics innovation and a highly trustworthy partner, but it chose a brand near and dear to many Canadians. Purolator Inc., which is Purolator International’s parent company, is Canada’s

largest parcel delivery and freight services company. Its distinctive logo is easily recognizable, and the brand has repeatedly been included on lists of Canada’s top brands.

But beyond appealing to Canadians’ sense of patriotism, Purolator’s extensive knowledge of that country’s geography, and understanding of consumer preferences and marketing practices helped ensure a smooth path for the retailer’s Canadian expansion. For example, Purolator was all too familiar with Canadian consumers’ intolerance for cross border purchases that arrived with unexpected invoices for additional taxes and brokerage fees. As a result, Purolator ensures that all fees are paid at time of purchase. No exceptions.

Purolator’s Canadian roots have also been critical in managing the customs clearance process. Purolator’s team of trade specialists evaluate each shipment, and determine all necessary regulatory mandates, complete all necessary paperwork, assess all tax and fee liabilities, and ensure that shipments benefit from all possible duty relief options. These options include proper tariff code assignment, determining eligibility for NAFTA and other free trade agreement benefits, and taking advantage of programs such as Canada’s Courier Low Value Shipment program, which provides expedited clearance for shipments valued at less than CAD\$2,500.

### **Success in the Canadian Market!**

A unique aspect of this online retailer’s “shopping experience,” is that consumers are able to choose

their preferred delivery company, based on the cost and delivery windows provided during the check out process. Roughly 95 percent of the time, consumers choose Purolator, usually over larger companies with greater name recognition.

Purolator and this retailer have been in partnership since 2008, and the retailer has enjoyed a 30 percent annual growth rate. The company has expanded its workforce considerably, and is currently planning a physical presence in Canada via brick-and-mortar stores. In addition, the retailer has expanded its international presence, with ecommerce capability in China, and additional plans underway for Europe and Australia.

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