

## CASE STUDY:

# Purolator Helps Outdoor Gear Manufacturer Launch Canadian ecommerce Business

A major U.S. outdoor goods retailer expanded its eCommerce capabilities and found a warm welcome in Canada, thanks largely to Purolator's unique access to the Canadian market.

### Introduction

Canadian consumers have a seemingly insatiable appetite for all things related to outdoor recreation. And when it comes to purchasing gear for hunting, fishing, camping and other excursions, few shoppers are savvier. It seemed obvious, then, for a leading U.S. retailer of quality outdoor gear to expand to the Canadian market. And while the retailer has made inroads in establishing a physical presence in Canada, the country's geographic enormity makes it difficult to reach all consumers.

Which is why the retailer's decision to launch a Canadian website was a logical solution. The website would give all Canadians access to its products and have the added benefit of raising

brand awareness, thereby driving additional traffic into stores. An added incentive was the explosive growth of online sales among Canadian consumers – a trend expected to see annual double-digit increases for at least the next several years.

Because the retailer had already put one foot into the Canadian market with its brick-and-mortar presence, it had a basic understanding of the logistics involved in moving products into Canada – and knew it would need to implement a separate process for delivering eCommerce shipments. Small package deliveries to individual residences, which is the nature of eCommerce, involves vastly different capabilities and resources than the B2B supply chain the retailer already operated in Canada.

### Purolator's Beacon System Allows for Easy Data Integration

The retailer recognized the need to partner with a logistics provider with deep experience in the Canadian market, expertise in the customs compliance process, and access to a deep distribution network. In addition, the retailer had very specific IT concerns. The company was seeking an end-customer-focused solution that could work within its existing IT platform and provide clear and comprehensive billing services (inclusive of all customs and brokerage fees, and presented in U.S. dollars).

Purolator International offered the ideal solution. Purolator, a leading provider of logistics for shipments traveling between the United States and Canada, maintains a more extensive Canadian distribution network, with more capabilities than any other U.S.-based competitor. As such, Purolator is able to offer innovative solutions that are customized to meet each customer's specific needs.

In this instance, Purolator offered its *PuroPost* service as the ideal solution. *PuroPost* is a very customer-focused option that offers courier-like service for smaller Canada-bound packages at a reasonable price point. *PuroPost* relies on Purolator's extensive distribution networks, both in the U.S. and Canada to offer guaranteed delivery within an expedited window. Upon arrival at the border, Purolator manages all aspects of the border clearance process. Shipments arrive at the border in full compliance with all regulatory mandates, with all taxes and duties paid, and with most paperwork pre-filed to minimize wait times.

## **Purolator's customized "Beacon System" linked directly with the retailer's IT system**

With regard to the customer's IT needs, Purolator offered its customized web-based portal called "the Beacon System," which can integrate directly with the operating systems of most customers. Once the two systems were linked, Purolator's IT professionals used the retailer's data to enable all critical processes – everything from label generation

and packing information to billing and payment processing to tracking information.

Purolator helped this retailer launch what has become a very successful Canadian eCommerce operation. The retailer has enjoyed cost savings for its Canada-bound shipments in excess of 20 percent, and transit times have been reduced by an average of 1.8 days. The retailer is pleased to receive regular reports with regard to costs, transit times, and delivery confirmation, and Purolator has been given high marks for its attention to detail and dedicated customer service professionals.

### **PuroPost is the Ideal Solution for Canada-Bound Shipments**

Research has shown that consumers who shop online have very definite expectations about when their shipments should arrive and will react negatively to any retailer that fails to live up to those expectations. The same is true for Canadian consumers, despite the fact that shipments must clear an international border.

*PuroPost* allows businesses to meet their customers' expectations with expedited-type service at ground-level pricing. This innovative solution is possible because of Purolator's extensive U.S. and Canadian distribution networks and because of Purolator's affiliation with Canada Post, the national postal service. Through Canada Post, delivery is possible to all Canadian residences, including some of the most remote locations, as well as to PO Boxes, apartment complexes and community mailboxes. Residential delivery is part of "standard" service and does not incur any special surcharge.

## Purolator's unique partnership with Canada Post means access to 100 percent of local addresses

Once in Canada, packages enter Purolator's distribution network. Then, by taking advantage of the Purolator/Canada Post partnership, shipments are seamlessly delivered to consumers. Customers are guaranteed to receive their packages within two to eight days. By comparison, this level of service at this price point is simply not offered by competitors. Instead, a non-Purolator customer would need to choose – either pay a higher rate for faster service or reduce shipping costs but expect longer transit times.

This outdoor-gear retailer recognizes the value in Purolator's solution, and it credits Purolator for helping reduce shipping costs by 20 percent and for shaving 1.8 days off the average transit time.

### Purolator Offers Border Clearance Expertise

Efficiencies were also realized by ensuring a more thoughtful and synchronized approach to the border clearance process. Navigating the border has proven to be the weak link for many U.S. businesses expanding to Canada. This retailer called on Purolator's decades of experience with the clearance process for a thorough audit of current processes and recommendations for improvement.

Purolator quickly noted several ways in which packages could more efficiently clear the border:

- **Consolidation.** By combining smaller shipments, a consolidated larger shipment can reduce paperwork and minimize inspection times.
- **Courier Low-Value Shipment.** The Canadian government offers a "Low-Value Shipment" program that provides expedited clearance for shipments valued at less than CAD\$2,500. Purolator ensures all eCommerce shipments that meet the program's criteria take advantage.
- **Clearance Efficiency.** Several options exist for expediting the clearance process. For one thing, "trusted trade programs" allow approved logistics providers "front-of-the-line" treatment upon arrival at the border and they reduce the risk of "random" inspections. Additionally, the Canadian government requires electronic pre-filing of all shipment information and required paperwork before a shipment arrives at the border. By understanding all applicable "clearance facilitating" programs and processes, Purolator is able to offer hassle-free border clearance and minimal wait times.

### Purolator's Customized IT Portal Maximizes Use of Technology

A few years ago, Purolator dedicated significant resources and manpower to responding to a key customer desire: Customers wanted a web-based process for giving Purolator access to data so that all shipping processes could be seamlessly integrated. Once integrated, the shared data could

make possible numerous efficiencies including labeling, tracking, report generation, billing, order histories and, of course, customs-related paperwork.

Since tech capability was a top concern for this retailer, Purolator's IT professionals immediately went to work to link the two operating systems to ensure full integration of data. The results have been very positive. The retailer is very pleased with the technology component of its eCommerce solution, particularly with the frequent reports and status updates it receives.

### **Canadian Expansion a Success!**

The retailer's goal in establishing eCommerce capability was to expand its reach to Canadians who were beyond the reach of its brick-and-mortar stores. As a leader in high quality outdoor-themed products, this retailer is a natural for the Canadian market and was confident its products would be well received across the vast country. They were correct. And thanks to Purolator's highly efficient shipping and technology solutions, the retailer meets or exceeds customer expectations for service, delivery and tracking.

©2015 Purolator International