



Case Study

REGIONAL DEPARTMENT STORE CHAIN

Using Data to Scale Personalization and Cut Costs

IMPACT

Implemented three-phase crawl, walk, run approach to *scale up print personalization*

Opportunities to *reduce spend* while increasing count on non-automated mail

Paper, manufacturing and postage savings options ranged from *\$800k to \$2.3 million*

This retailer opened in the late 19th century, and now has hundreds of locations across the southern United States. The privately held company credits its rich heritage of community involvement and philanthropy for the store's early and continued success.

CHALLENGE

The store's marketing team wanted to focus more on its loyal customers — those with store credit cards at three levels of annual purchase. Expanding their circular direct mail program by segmenting customers would deliver more relevant and personalized content while cutting costs. So beyond options for including versioning and personalization, the marketers needed to consider how to pay for it. Reducing print orders for non-loyal customer mailings would provide short-term savings, but could hurt sales.

SOLUTION

Quad explored whether the retailer's circular program was fully optimized. If there were opportunities to save in manufacturing and postage solutions, its marketers could reinvest budget.

The way to greatest savings started downstream.

1

Postal

The United States Postal Service requires flat-size mail to meet rigidity standards to prevent flimsy mail from jamming sortation equipment. And if that mailing achieves Quad's presort levels from carrier route up to saturation, those pieces are immune from any penalty for failing droop test as they bypass USPS sorting equipment. For presort levels that would need USPS automation, Quad tested sample pieces with various page counts, covers and body stocks to find the best combination to meet deflection standards.

2

Paper

The retailer no longer needed to print most of its direct mail on heavier, more expensive paper since the majority of it didn't have to pass the Postal Service's deflection test. The retailer could reduce paper spend and reinvest that savings in marketing's customer segmentation and personalization strategy. They worked with Quad to find a lower-cost, but still high-quality paper for future mailings.

3

Manufacturing

With lighter paper stock vetted to pass the USPS droop test, the work could move from web offset presses to lower-cost gravure. Quad's saddle-stitch lines' demo capabilities allowed the retailer to segment print while maintaining a single mail stream to optimize postage. The marketers had the data. With the demo capabilities, they could now cost-effectively unite the components in print.

Quad shared third-party research that showed how segmented print and personalized messaging improves response for retailers. We provided a range of options along with levels of investments. This gave the retailer flexibility to choose the option that worked best for its brand.

Quad suggested the retailer use its data to deliver a DM circular based on customer loyalty and buying behaviors.

- Personalize the offer based on the customer's loyalty tier
- Segment the design and creative based on purchase behavior (children's, men's, women's, home, shoes)

See how we can help.

     866.824.2869  info@quad.com [Quad.com](https://www.quad.com)

© 2019 Quad/Graphics, Inc. All rights reserved. | 8.19 | 19-0006 | Case Study

