

Easy Does It

Staples did the unimaginable: It asked customers what they wanted. The answer became a brand promise that drives the entire organization.

By Constantine von Hoffman

For roughly the first 14 years of Staples' existence—from 1986 when it pioneered the concept of the office superstore to 2000 when it kicked off a serious strategic reassessment—management followed a formula familiar to any mass-market retailer: Provide a wide range of products at the lowest possible price. Beyond that, however, the company's "Yeah, we've got that" branding scheme focused on having everything in stock—even if it was a one-of-a-kind, left-handed, upside-down, underwater hole-punch in red-not-silver—for the sole customer who wanted it.

But eventually it became clear that low prices and variety weren't going to be enough. By the mid-1990s, the market was filled with plenty of office superstore wannabes. "At one point, we actually had more than 20 imitators," says Vice President of Marketing Shira Goodman. "There was 'Office This' and 'Office That' and 'Office The Other Thing.'"

The market shakeout in the mid-'90s that left Staples with only two major rivals—Office Depot and OfficeMax—also revealed that consumers didn't see much difference between Staples and the competition. "There were some cracks in the pavement," Goodman says. "We'd hear stories from our stores where, when it came time to pay, people would pull out their Office Depot credit card."

For the first time in the company's history, it had negative retail sales comps. Store operating margins were starting to level off and, in some cases, even decline.

To find a way to turn things around, Staples turned to research. Lots of it. It asked customers to list their 10 most important criteria; to management's surprise, price was nowhere to be found. It wasn't that price was insignificant to customers. But thanks to Staples' influence throughout the segment, shoppers had come to assume they were going to get a good price. What they wanted was for stores to stock all the basics. They also wanted courteous and helpful sales associates. And they wanted a faster, less-troublesome experience. In other words, customers wanted stores that didn't just have what they wanted, but had it where it could be found quickly and easily.



Staples Marketing VP Shira Goodman



Observing how customers shopped in Staples stores and other retail environments "led us to some very

"We said, Well surely, you're getting that already," says Goodman. "But customers told us they weren't getting that from anyone. That was the real eye-opener," she says. "I mean, there was just this tremendous open space there where, in some ways, customers' needs were very simple and basic. And no one was delivering on it for them."

**unexpected
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Bob Madill
Visual Merchandising VP

So Staples did what any smart superstore would do: It stopped trying to be all things to all customers and decided to take it "easy."

Being Easy Can Be Hard

To get an idea of how seriously Staples takes its new brand promise—"Staples. That was easy."—you need only look around its Framingham, Mass., headquarters. Once the building's interior was a typical corporate cubicle maze that would have defeated both Theseus and the minotaur. But that was before.

A year and a half after rolling out the new brand promise, the building is overflowing with helpful signage. Maps point to locations at key intersections. Floor numbers are embedded in rugs, and each floor has a distinct color theme.

This is a company that has made "easy" the driving principal not only for its creatives, but for the entire organization as well. From the website to store design to hiring practices, it is an example of how a brand can unite and drive an organization.

The branding has become Staples' strategic priority. "It became a project where marketing partnered with strategy," says Goodman. Which, to be honest, is pretty much what you would expect a CMO to say. But it's a view echoed by outsiders as well. "Theirs isn't just a Dilbertesque mission statement," says Harley Manning, a vice president with Forrester Research. "Clearly, Staples believes it is core to their mission to make it easy to find stuff."

"Easy" has succeeded for a number of reasons, says Manning. First, it wasn't a top-down order, but an idea that was grown organically from within the company as part of a review already under way. It also offered a simple, clear idea that all parts of the organization could embrace.

"We believe that 'easy' is not about the advertising piece," says Dave Almeda, vice president of human resources, U.S. stores. "It's about bringing 'easy' to life for the customer; it's about the customer experience," he says.

The initiative has also succeeded because of determined efforts to avoid using the "B" word. "When marketing folks use the word brand, it alienates the people in other areas," Goodman says. "'Oh, branding, that's a marketing thing. That's about colors. That's about logos. Let Shira worry about that.'"

Focusing on the customer's needs sometimes required ignoring what customers said and instead watching what they did, says Bob Madill, vice president for visual merchandising. "We took a look at how customers shopped in our own stores and looked at a lot of other retail environments as well," he says. "That led us to some very unexpected conclusions."

The company found that small-business and home-office owners made up the bulk of sales, not the casual buyer. So Staples refocused its inventory and changed not just what was in the store but the layout of the stores themselves.

Most store layouts follow that of the typical grocery store, which puts the items most often purchased—such as eggs and milk—in the back of the store, forcing customers to pass aisles of other items they may buy more impulsively. With "That was easy" as a driving principle, the superstore did just the opposite. Ink cartridges and paper—the eggs and milk of Staples—were moved to the front of the store so that customers could run in, get what they wanted and leave.

"We've done a significant amount of research in terms of how they make whatever purchase decisions they're making," says Madill. "We do it in a way that isn't necessarily managing their behavior, but supporting their behavior."

It takes a lot of work to come up with something this simple, and it takes even more work to make sure that simplicity is executed throughout a company that boasts 1,200 stores and 60,000 employees. And Staples' employees is where one key—and frequently overlooked—part of successful branding came into play.

"It became apparent that we needed to get not just the 3,000 or so managers engaged, but we needed to find a way to get the 25,000 or so hourly associates engaged," says Almeda. The human resources department had already come up with a plan to pay hourly employees more based on stores meeting certain sales and profit targets. Under "easy," the program focused on increasing customer satisfaction as tracked through point-of-sale surveys.

In-House Polish

In addition to refining how it gets employees to interact with the public, the rebranding effort refined how the company interacted with its employees. While the company's in-house communication style previously was technically correct and well-

written, messages weren't executed with the same kind of wit and polish that marked its advertising and other materials. Today, all that has changed. "There shouldn't be any difference," Almeda says. "The message, if you don't do that, is that you care more about your external advertising than you do about your internal. And how does that bring 'easy' to life?"

Part of the transition required upgrading systems and improving scheduling. That included everything from better and faster registers, increased use of scan technologies, and less and better-focused communication from headquarters to the stores. All in all, less time is spent in an office responding to e-mails, and more time is spent on the floor with the customer.

It also required Staples' management team to learn the company's distribution and staffing methodologies. Staples devotes itself to employee education to ensure that the staff is well-equipped with product knowledge. Even with something as low-tech as changes in the packaging of paper, employees are briefed on what information is going to be displayed on the package and how they can walk the customer through what's different.

"The majority of this change had to do with culture," says Almeda. "The cultural change was from a typical, almost pure task-focused environment to a differentiating, customer-focused environment."

And anything that increases ease of use is going to show up in your ROI, says Forrester's Manning. He points to the company's website, which has a much higher than average rate of converting shoppers to people who actually buy. "The average conversion rate [for most sites] is down below 3 percent," says Manning. "These guys are bumping into the low double digits.

"People who have poor conversion rates like to explain it away by saying, Well, that's the category," says Manning. "Well, no, it's not the category. These guys didn't start out with those kind of conversion rates either. They thought long and hard about how people actually buy their products, about who their customers actually are and how they really want to go about it. And they work really hard and use very sophisticated techniques very rigorously to make it easy for people to shop on their site. That's why they have those kinds of conversion rates."

It is never easy to make things easy. Staples has devoted significant chunks of time and money to finding out what its customers want, how to give that to them and how to spread that message of providing for the customer throughout the entire organization. While management will tell you that much has been accomplished, they are also concerned about how to perpetuate the changes they have already started. In the end, they hope it will continue to lead them to "easy" money. ■



The "easy" initiative helped Staples transform culturally "from a typical, almost pure task-focused environment to a differentiating, customer-focused environment."

**Dave Almeda
Staples HR VP**

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