Week 6 Case Study

Anthony Meunier

DeVry University

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## Overview of Company

Staples, Inc. is an office supply chain store based in the United States. The company was founded in 1986 and is headquartered in Framingham, Massachusetts. Today, Staples has over 2,000 stores worldwide and operates in 26 countries. As a company, Staples prides itself on offering a wide diversity of products and many of its advertising campaigns and slogans over the years have focused on highlighting this in addition to a focus on making things “easy” via its popular “that was easy” and “Easy Button” campaigns. In addition to offering a wide range of products in-store to suit all of a business’s needs, the company is also currently the 3rd online retailer behind only Amazon and Apple and carries many millions more products online in addition to its in-store offerings. Currently the company sits in a firm position as the leading dedicated office supply chain in the United States due to its impending merger with former rival Office Depot. Speaking frankly, I am an employee at a Staples retail location, so it is pretty easy for me to provide first-hand insight into how the stores operate and how much the company prides itself on competing in the e-business market.

## Establishing an Online Presence

Until 2014, Staples was the second largest online retailer trailing only the mighty Amazon.com. Staples has since been passed by Apple in the e-business spectrum and has fallen to number three on the list of largest online retailers. These firm numbers show that Staples places an emphasis on online sales and it is no coincidence that since its online inception in 1998 Staples has remained at the forefront of e-commerce. Personally speaking, Staples instills a policy unto its employees (and thus to its customers) that it will always be “in stock for the customer.” Sometimes this means that a customer may not find their product in store on the shelves, but at the very least a customer can walk out of the store having at least ordered an item from the online store. While this still does not entice all people, it does brilliantly highlight Staples emphasis on blending business processes between brick and mortar and online stores because one way or another a customer can be “guaranteed” to receive their desired product. What makes this work from a customer service point of view is that the company offers free 2-day shipping when an order is placed in this manner and by doing so makes a direct effort to compete with (and even top) Amazon.com – chances are your product is available same day, in person, in store, and if it is not then Staples will offer Amazon’s paid shipping service (Amazon Prime) for free in order to secure fast and convenient shipping on behalf of the customer.

According to Dragan (2013), this online system is built upon an IBM hardware and software infrastructure which was custom-designed for Staples emerging e-commerce needs. Through extensive field-research conducting by Staples beforehand, the key benefits of the proposed system were determined to be: a 60% increase in online conversion rate, increase in customer satisfaction, and a 30% increase in peak transaction volume with no noticeable negative effects on current business processes in terms of reliability and performance (IBM Corporation, 2007, p. 1) Being one of the pioneers in online retail has its perks, as Staples was the first e-business to surpass $10 billion in online sales and although the company is often overlooked or forgotten especially when compared to other giants like Amazon.com and Walmart. Although Staples is considered the largest office supply store in the world, its diversity of product offerings, which has been an emphasis in recent years, has kept it relevant in the retail spectrum and many of these additional, non-office products, are available online through the company’s website.

## Staying Relevant Online

Staples online systems are all about choice and convenience for the customer. To compete with companies like Amazon.com and Walmart, more than just office products need to be available and that’s exactly what Staples now does. As mentioned, the company’s online entity carries many additional, non-office products online that retail stores otherwise would not typically carry (air conditioners and wheelchairs are just a few examples – not kidding) in a physical store location. Instead of simply being a supplement to brick and mortar transactions, e-commerce is quickly becoming a standard way for consumers to shop, so staying relevant in this spectrum is of the utmost importance and Staples realizes this. According to Stambor (2013), web sales represented 42% of Staples total sales in 2012 which is a huge indication that online retail is quickly becoming a preferred method of modern day consumers. That being said, much emphasis is given to Staples online presence and the company has plans to slash physical retail stores by ~15% from 2013 forward in order to focus more on online sales (Dragan, 2013). The move to omnichannel systems in which stores have online ordering kiosks and also serves as storage locations for pickup of online orders is just another sign of the times to come; while stores are here, they are going to be heavily influenced by the company’s focus on e-commerce.

As mentioned, Staples currently does not have any direct office supply store competitors due to its recent acquisition of Office Depot (and hence Office Max as well), so this leaves Staples focused on competing with retailers across the whole spectrum – not just office supply stores. It’s simply just not possible for the store locations to accommodate offering these types of products in addition to office supplies the company is known for. The only logical solution is to shift business to the online market in which any and all products can be easily offered and fulfilled. As it currently stands, the brick and mortar aspect is still largely relevant, especially in the office supplies market, but one look at growing sales figures for e-commerce and a company like Amazon that is so highly successful from online-only operations and it’s clear to see the direction business processes are moving towards. Staples was there at the start of e-commerce, pioneered many changes along the way to stay dominant and relevant, so I would expect nothing less than for them to develop and devote business strategies that capitalize on this. In the meantime, both the stores and online segment work in tandem to simply provide the best experience possible for the customer thanks to efficient business processes made possible by the company’s online infrastructure that aims to please by always being in stock for the customer, whether in store or online.

## References

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