

Case Study:



ACE HARDWARE FIXES UP THEIR CUSTOMER DATABASE WITH FRESHADDRESS'S EMAIL DATABASE TOOLS

THE CHALLENGE

When the Ace Rewards program first came into being, email was not the widely used marketing channel it is now, so entering one's email address was not a required field at the point of registration. As a result, Ace had a low percentage of email addresses in its 20 million Rewards database. Looking to rectify this problem, Ace's marketing department distributed an RFP (Request for Proposal) to 5 – 6 leading vendors of email database services. After careful due diligence and testing, Ace chose FreshAddress to be its email database partner based on FreshAddress's superior match rates, accuracy, and performance during the testing phase as well as its reputation for unrivalled client service and email expertise.

THE SOLUTION

Ace began utilizing FreshAddress's Email Appending and patented Email Change of Address services to fill in the gaps created by missing, bouncing, and inactive email addresses in its email list.

B2C (BUSINESS TO CONSUMER) EMAIL APPENDING

The majority of Ace's customer database contained names and postal addresses but lacked email addresses. By utilizing FreshAddress's Email Append technology and service on a quarterly basis, Ace hoped to gain guaranteed deliverable email addresses for up to 25+% of its postal records. FreshAddress's match rates and data accuracy rely on a proprietary internal database of over 600 million opt-in records, multi-source

matching against the opt-in databases of other leading providers, and its comprehensive email list hygiene, permission messaging, and double-scrubbing processes.

The first Email Append Ace performed with FreshAddress yielded email addresses for 15.8% of its customer file. Since then, two additional quarterly appends have unearthed a combined total of 31% more email addresses for Ace Rewards members.

ECO A (EMAIL CHANGE OF ADDRESS)

Given that typical email address attrition rates are approximately 30% per year, many of the email addresses that Ace had collected were out of date or no longer in existence, causing many of them to bounce or, worse yet, to have turned into spam traps. FreshAddress's patented ECOA (Email Change of Address) technology updates 8% to 15+% of the bouncing or inactive email addresses in a file. Then through its automated quarterly processing, FreshAddress clients can expect double these results in the first year.

Ace's first ECOA service yielded over a 20+% match rate of deliverable addresses and two subsequent ECOA projects resulted in a combined total of over 50% new email addresses for Ace's bouncing and inactive file.

"We've just completed our third Email Append and ECOA process to increase the number of email addresses in our Ace Rewards database. Utilizing both services in October 2010, we added 700,000 NEW email addresses to our database, increasing

the number of active emails in our customer file by 27% in just one run. And in less than one year (3 runs), we've increased the size of our Ace Rewards customer email databases by 1.7 million emails or 66%!!!"

--- Cari Elder Long – CRM Promotions Specialist. Consumer Marketing

PERFORMANCE IS THE TRUE TEST

While gaining email addresses for its Ace Rewards members was important, the performance of these email addresses was the true test of the program's success. Upon analysis of the results, Ace found that customers it could now reach by email shopped more often, bought more times, and had higher average orders compared to the single channel customers (i.e. those without email addresses) in its files. In less than a year's time, the program has generated a multiple return on its investment with a long tail of purchases to come.

"Working with FreshAddress and its knowledgeable staff has been effortless and seamless. Our loyal customers clearly appreciate the new email communications they now receive. It's a win-win situation for everybody."

--- Cari Elder Long – CRM Promotions Specialist. Consumer Marketing

ABOUT ACE HARDWARE

Throughout its 85-year history, Ace has been known as the helpful hardware place by both customers and communities. For its first 50 years in business, Ace was privately held. In 1976, Ace became a retailer-owned cooperative. Each store is independently owned and operated by local entrepreneurs who, many times, live in the communities they serve. Today, Ace is the largest retailer-owned cooperative and clear leader in the convenience segment of the hardware industry in terms of wholesale and retail sales and strength of the brand. Ace's 4,600 stores in all 50 states and more than 60 countries generate annual retail sales of approximately \$12 billion.

ABOUT FRESHADDRESS

FreshAddress provides a comprehensive suite of industry-leading services to help companies and nonprofits build, clean, and update their email address lists.

Founded in 1999 and based in Newton, Massachusetts, FreshAddress is the original developer and U.S. patent holder of email change of address (ECO) technology. Other services include B2C email appending, B2B email appending, postal appending, email list audit services, real-time email address correction services, and email database consulting.

To learn more about the email database services offered by FreshAddress, visit www.freshaddress.com.