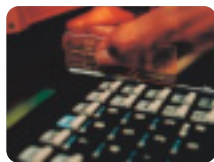




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 SANDERSON

Mail Order, e-Commerce & Fulfilment | Issue 2

Mailbrain fast tracks sales and enquiries



David Price, Development Director for Mailbrain

Once orders or refunds have been negotiated, immediate written confirmation regarding negotiated orders or discounts can be sent to customers using the new Document Process Management (DPM) module.

This provides centralised email, fax and print facilities that can improve communications and introduce rationalised, collaborative working practices – creating new potential for businesses to save time and reduce costs.

Call centres can now manage more incoming calls using existing resources, thanks to the latest developments in Mailbrain.

With significant enhancements to Sales Order Entry and Sales Order Enquiry modules and the new Document Process Management module debuted at ECMOD 2003, Mailbrain is set to boost the quality and speed of order and enquiry handling and help businesses maximise efficiency by improving communications.

The new Sales Order Entry module streamlines order processing and enables even more rapid retrieval of product information, including digital images of the product. This builds on easy availability of integrated, real-time customer information, including account details, discounts and agreed business terms, bringing greater efficiency and customer service excellence.

Customer Contact Management enhancements and a new graphical Sales Order Enquiry and Query Handling facility equip operators to log and progress enquiries easily and quickly.

Fast access to comprehensive customer data showing a complete breakdown of related actions and conversations supports well informed decision making in response to queries. This means operators can handle more calls while maintaining high levels of service.

Commenting on these advancements, David Price, Sanderson's Development Director says: "The new developments bridge the gap between receiving orders and queries and actioning them to completion, paving the way for exciting future developments in managing consumer and business-to-business order processing."

WRVS signs up to Mailbrain

WRVS (Women's Royal Voluntary Service) is the latest organisation to recognise the benefits of using Mailbrain to manage national operations.

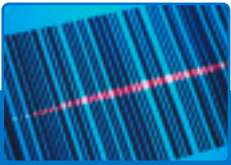
Customers and relatives of those receiving WRVS' Meals on Wheels service or Home Choice Meals will soon be placing orders for frozen meals via the telephone or mail order form.



Mailbrain handles the whole process from there on in, from allocating stock to setting delivery dates and planning delivery routes. It will facilitate more efficient billing processes, be it invoicing local health authorities or recipients of the service, cash collecting, producing health authority reports and other mandatory documentation.

The system demonstrates Mailbrain's flexibility to accommodate a home shopping service with a non-traditional mail order set up. Mailbrain will also enable WRVS to organise home visits and other WRVS services for people receiving home meal delivery, ultimately contributing to a more person-centred homecare system, with greater flexibility to respond to individuals' differing needs.

Sanderson will supply the full Mailbrain module suite and manage the system on behalf of WRVS under its hosting service. A full nationwide rollout will follow shortly after a pilot scheme covering WRVS offices in Compton, Cambridge and Stratford.



Ask the experts

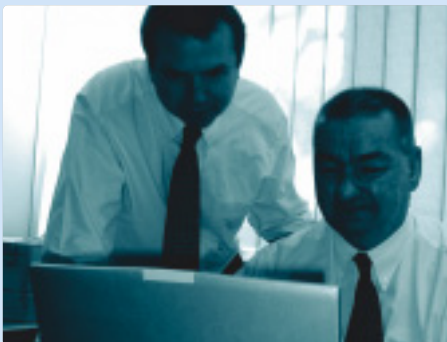
Mailbrain consultants Paul Howarth and Chris Jones answer your questions. They share over 28 years experience in mail order, e-commerce and fulfilment.

Q. How can I track my customers' spending habits so I that can hit them with offers at a time when they are most likely to buy?

A. Mailbrain Management Information (MMI) generates recency-frequency-monetary value (RFM) statistics that can be used to segment customers into user definable groups. Via MMI, this data can be sent to tools such as Cognos for data mining and drill-down to profile customers and create reports and graphs that identify, for example, profitable repeat buyers in the last 3, 6 and 12 months.

Q. What impact will the new Privacy in Telecommunications regulations have on my marketing processes?

A. If you are using email or SMS text messages you will need to comply with these regulations, which came into force on 31st October 2003. This means you must have a demonstrable 'opt in' from your customers/prospects to send them marketing messages by these means. An effective method of obtaining this is to send an email or SMS asking the recipient to reply, which indicates their permission. Using email or SMS to acknowledge orders is not affected.



Consultants Paul Howarth and Chris Jones

Embrace opportunities for market expansion



Broadband take-up is set to drive online shopping growth

According to business intelligence and market analysis provider, **Euromonitor International**, the UK mail order and home shopping market climbed to nearly £11.8 billion in 2002.

Growth is expected to continue by almost 35% in the next five years, reaching a value of over £17 billion in 2007. General mail order is likely to remain the largest sector, accounting for over 58% of these sales.

Findings from the company's recent report, *Mail Order and Home Shopping in the UK*, show that new technologies have been the key drivers in this growth. The report expects future success to result largely from the increasing popularity among customers to use direct catalogues and the Internet to buy.

A survey from Forrester Research put the growth of Internet shopping at 15 times faster than that of general retail in the run-up to Christmas 2002. One factor behind this, according to Forrester, was the take-up of high speed broadband Internet links. Euromonitor anticipates that cheaper computer prices and the convenience of Internet orders will continue to fuel the growth of online shopping. This growth will likely be at the expense of traditional direct sales and mail order techniques.

However, numerous opportunities exist for market expansion, to those willing to cater to customers who prefer to order online rather than by phone. For example, clothing, books

and cosmetics have always lent themselves well to direct sales and mail order. E-commerce opens up the way for a range of new home shopping categories, including music, toys, healthcare and food.

Despite the fact that online customers still refer to a catalogue to see the merchandise, Euromonitor's findings also show that running costs have declined since Internet usage increased. This is because marketing online incurs much lower costs than traditional marketing techniques that use paper, fax or phone.

Although this may be good news, taking the online route is not without its obstacles. Perhaps some of the biggest issues to overcome are the lack of consumer trust in electronic payments and the mail order company's ability to deliver quickly and on time. Competition with Internet wholesale companies will also be fierce as each targets domestic sales with high quality products and customer service.

Ultimately, successfully embracing online selling will depend on how willing mail order companies are to restructure strategy and processes based on mail order catalogues. Euromonitor believes that to address the obstacles companies looking to go forward must invest in new catalogue brands and sophisticated new customer information systems to monitor and target customers' needs more closely.

www.euromonitor.com
www.forrester.com



The distance seller's guide to fraud prevention

It is estimated that credit and debit card fraud cost the UK more than £424 million in 2002, an increase of 34% since 2000, and a figure that APACS (Association for Payment and Clearing Services) predicts will rise to over £1 billion by the end of the decade.

2000 £317.0 million

2001 £411.5 million

2002 £424.6 million

Plastic card fraud losses on UK-issued cards

Up until now, this has largely focussed on the 'cardholder present' environment, with only £12 million of the total cost of fraud being attributed to the distance selling market or 'cardholder not present' environment.

However, with new point of sale chip and PIN technology soon to hit the high street, the likelihood that credit and debit card fraudsters will turn their attention to the distance selling market is pretty clear. The good news is that there are several measures already available to protect businesses against such crime.

One of the simplest ways of reducing fraud is to use an electronic card authorisation system. Indeed, use of

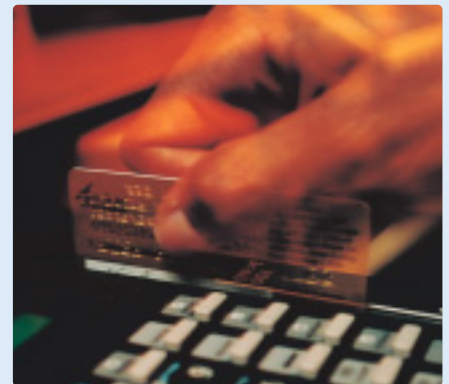
the recently introduced AVS (address verification system) and CSC (card security code) checking systems, have become increasingly widespread and are proving to be a step in the right direction in reducing the threat of 'cardholder not present' credit and debit card fraud.

As well as taking customers through the traditional security checks during order processing such as name, address and so on, AVS checks the address given by the telephone or online customer against the address held by the card issuer. CSC adds a further layer of security by checking the card security code printed on the reverse of the card. Because this is not printed on any vouchers or cardholder statements, getting a match improves the chances that the card is in the possession of the genuine cardholder.

To support these checking systems, integrated PC-based solutions or on-line payment services allow distance sellers to perform instant authorisation checks by entering the card details into their own order processing system. This ensures that customers are not kept hanging on the phone or waiting online while lengthy searches are conducted, often involving the access of third party systems owned by the card issuer, to clear authorisation.

Card payment processing technology leader, Commidea, offers Mailbrain users a number of card payment processing systems that return results in as little as three seconds. Furthermore, Commidea has developed ICP, an online system that processes all major card types via Commidea's servers. This completely eliminates the need for distance sellers to install and operate their own card payment processing systems, banishing all associated IT implications such as cost and maintenance.

Sanderson has already worked closely with Commidea to develop anti-fraud measures for the e-business, mail order and telesales divisions of companies including M&M Sports, Cotton Traders and Lyco Direct.



Chip and PIN technology is likely to drive fraudsters online



Sanderson's new Web Services team is creating a website for clothing company Nightingales

Sanderson brings web services online

We are pleased to announce the introduction of Sanderson's new Web Services team.

The team's remit is to help every business they work with get the best out of their web site and their Mailbrain system. They can help businesses that don't yet have fully transactional web sites, or advise on how to integrate totally or partially independent web sites with Mailbrain and other back office systems.

Web services can build a seamless supply chain between businesses and their customers – improving communication and enhancing service. A fully integrated web site can also remove the need to re-key data, reducing errors and cutting the cost of processing transactions.

Sanderson's Web Services team has years of experience and offers a full range of services from consultancy and design to implementation, web interface links to back office systems, content management, cost effective hosting and training.

Mailbrain fulfils online success



Mailbrain is key to E.UK Direct's success in achieving their business goals

Entertainment UK Direct (E.UK Direct) handles the fulfilment of consumer orders for CDs, DVDs and videos on behalf of online giants Amazon.co.uk, Tesco.com, Woolworths, MVC, Argos and Tower.com. It uses Mailbrain to fulfil between 5,000 and 30,000 orders per day and handle its recently extended service to overseas retailers.

Parent company Entertainment UK, part of the Woolworths Group, is the UK's leading wholesale distributor of home entertainment products, supplying major supermarkets and high street chains. E.UK Direct was born in 1999, to address the effect of online selling on the company's traditional business and its retail customers. According to Greg Smith, Head of IT Development, Entertainment UK: "Using the Internet as an additional sales

channel was in its infancy when we set up E.UK Direct. E-commerce fulfilment solutions capable of handling large online order volumes didn't exist, so we looked to the mature distance selling market and found that Mailbrain could adapt to the challenge."

Consumers enter orders directly onto the retailer's website, for example Tesco.com, which handles all front-end processes including product identification and electronic payment. Details are immediately despatched to E.UK Direct's website via a dedicated interface to Mailbrain. Mailbrain checks if the item is in stock at E.UK Direct's warehouse and a message is returned to the retailer's website confirming product allocation and an accurate delivery time.

Because collaboration between the two websites is tightly integrated, retailers can maintain high levels of customer service within their online operation, including always showing accurate product lists. Mailbrain generates incremental stock files with updates on product availability transferred every 30 minutes to three hours, depending on the retailer's preference. This also enables E.UK Direct to accurately control stock at its warehouse, which holds around 150,000 active titles.

To keep administration costs to a minimum and simplify billing, Mailbrain produces warehouse picking lists for all accepted orders which include labour saving details, such as which aisle the product is stored

in and so on. Every time an order is packaged, automated packing machines send messages to Mailbrain that act as despatch confirmation for both the consumer and the retailer. Mailbrain also automatically transfers these details to E.UK Direct's finance ledgers so that invoices can be issued on a daily, weekly or monthly basis.

To generate additional revenue E.UK Direct is now providing fulfilment services to overseas retailers wanting to offer entertainment products from the UK. Mailbrain handles the processing, and billing of these orders is the same as for UK retailers, except that boxes of orders are fulfilled rather than one or two products at a time.

Greg Smith continues:

"a fulfilment operation in an emerging sales channel was tricky. It was a grey area where limited experience existed. Thanks to Mailbrain's capabilities in quickly and accurately handling large order volumes we were able to develop a suitable IT infrastructure to support the online service. This infrastructure is now helping Entertainment UK Direct to move forward by successfully adapting processes to support new fulfilment opportunities that open up."



Sanderson exhibited Mailbrain at ECMOD 2003. If you missed the launch of its latest developments, call us on +44 (0)24 7655 5466, or email: mailbrain@sanderson.com for further information.

Contact

PRINCIPAL OFFICES: SANDERSON LTD

Sheffield Tel: +44 (0)1709 787787	Bristol Tel: +44 (0)1454 892500
Birmingham & Coventry Tel: +44 (0)24 7655 5466	Guildford Tel: +44 (0)1483 885555
Huntingdon Tel: +44 (0)1480 456256	Belfast Tel: +44 (0)28 9073 4600

EMAIL: mailbrain@sanderson.com
WEBSITE: www.sanderson.com