

## Connecting with our Customers

In 2009, Canada Post put the customer first in very specific ways. We created the position of Chief Customer Officer.

**M**aking one person ultimately responsible for countless customer interactions with Canada Post, and making him one of only three chief corporate officers to report directly to our President and Chief Executive Officer, speaks to the importance we place on improving our customers' experiences with us.

Positive customer experiences are determined by their interactions with all facets of our business. Delivering on these expectations drives loyalty. We set standards and targets for several aspects of our service to customers, and then we measure our performance against those goals.

In 2009, our people were successful in delivering positive customer experiences and improving customer loyalty. We not only met our goals, we exceeded them.

Our customers noticed as well. We capture and analyze their feedback on our products and services, delivery, price, our reputation and the support we provide, asking them what they value and how their experience with us has been. This research generates what we call our Customer Value Index (CVI).

In 2009, our CVI for Transaction Mail and Parcels exceeded their targets by four percentage points each. Direct Marketing exceeded its target by three percentage points. These results tell us we're moving in the right direction.

Our front-line employees have played a large role in this success. Customers have told us that Canada Post drivers and delivery personnel perform extremely well, and are clearly dedicated to their work. With highly accessible locations, knowledgeable employees and

by focusing on the needs of our customers, our retail outlets have achieved their highest performance scores in our history. The overall quality of service, knowledge and sound advice of our sales and service personnel are also leaving a positive impression on customers. Our success is dependent on the dedication and hard work of our employees, and their achievements in 2009 demonstrate how valuable their contributions are to both the company and our customers.

Customers have told us that two things that affect their perceptions of Canada Post are on-time delivery and tracking. We can tell them the status of their package by scanning the item, but only when we scan items consistently and quickly enough. This is one of the most important areas we have targeted for improvement.

Our efforts to that end did yield considerably improved results in 2009. We increased our number of scans by 60 million, or 10.3 per cent, and we're getting the information from scans to customers faster than before, making significant progress toward having it available within minutes. We are continuing to focus our efforts on improved scanning in 2010.

Though we have put significant focus on getting the customer experience right, we also recognize that, from time to time, things can go wrong. If this happens, we have to fix the problem, learn from it and adopt measures to avoid similar issues in the future. We know that customers who don't experience problems with us are far more loyal than those who do.



## Improving service to Canadians from sea to sea to sea

Looking to the future, in 2010 we plan to improve how we handle calls in our call centres. Customers want their calls answered quickly, consistently and accurately. We are building the system and processes to do so. At the same time, we're improving our reporting and analytic capabilities to identify the reasons behind the most common types of calls. With a better understanding of the problems, we can fix them.

In mid-2010, we will also open our new mail-processing plant in Winnipeg. This major investment will provide a far more automated and efficient way of moving the mail. Over time, this project and future modernization will help keep postal services affordable for all customers. The revitalization of our postal network will ensure that our customers receive the best possible service and a wider range of delivery choices through an integrated and efficient network.

As we move forward, understanding our customers' experiences with Canada Post, determining what we need to do to improve those interactions and making the necessary changes are critical to remaining relevant in a rapidly changing environment.

The next post office due east of Alice Tulk's would be... in Ireland.

Tulk, 63, is the postmaster in Aspen Cove, Newfoundland and Labrador, a fishing village (population 224) northeast of Gander. The post office is in her home perched on a hill above the Atlantic.

Until recently, Tulk used an old calculator, and filled out forms and counted inventory by hand. What's more, she could not offer customers the option of paying by debit or credit card.

Now life has changed—thanks to one of the most sweeping rollouts of networked retail technology in Canadian history.

In December 2009, Canada Post (and its project partners Innovapost and IBM) completed a two-year modernization of its retail point-of-sale ("RPS") system. The \$85-million initiative automated 3,000 post offices—nearly all of them in rural Canada. Another 2,846 already automated dealer and corporate outlets were upgraded to the new system.

The project demonstrates Canada Post's commitment to provide its customers with excellent service and the same access to its products, no matter where they live. David Roy, Canada Post's general manager of retail, says Canada Post now has one network from coast to coast to coast. Customers now benefit from quicker, consistently accurate transactions and, at the 3,000 previously manual outlets, they can now pay by debit or credit card and buy MoneyGrams™.

In her 39<sup>th</sup> year as postmaster, Tulk was taught new skills through the RPS project. She was among the many rural postmasters who had never used a computer. Now, she says she's really enjoying the new system.

