

INCITE



INCITE

ABOUT THE COVER

Are you ready to get “down” to business? On p. 15, the Canadian Down & Feather Company turns website browsers into buyers by refusing to sleep on untapped opportunity. Find out how these “proud Canadians, sleep enthusiasts, comfort addicts and lovers of breakfast-in-bed” created a direct mail campaign that generated 65% higher returns than the brand’s digital-only marketing streams.

The cover of *INCITE* is printed in four colours on a Heidelberg SM106 8-colour LED UV perfecting press at 350-line screen on Lynx Opaque 100 lb cover stock. The matte black background is finished with a soft touch polypropylene laminate film. The softly floating feathers are highlighted with a spot UV coating applied in silk screen with a 305 mesh count. Finally, a copper stamping plate has applied matte metallic silver foil to the *INCITE* wordmark.



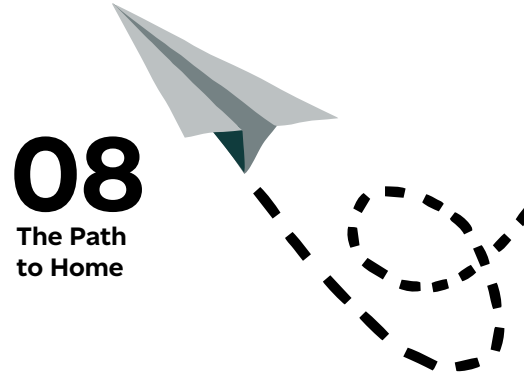
THE ONE-TO-ONE ISSUE



04
One-to-One
Commerce

12
The Way of
the Butcher

15
Case Study:
Upside of Down



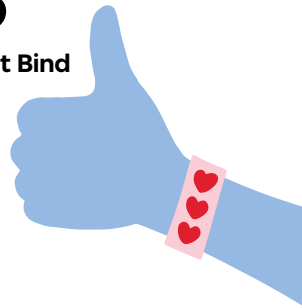
08
The Path
to Home

18
Case Stories:
A Collection of
Global Inspiration

30
Forget Love,
How About a Little
R-E-S-P-E-C-T?

31
Making Loyalty
a Habit

33
The Ties that Bind



36
Changing
of the Card

38
The Commerce
of Media



43
Datagram:
One-to-One x Direct Mail

39
Direct, Naturally

IDEAS TO INCITE ACTION WITH ONE-TO-ONE



Recently, a tweet by @andybudd describing a typical website visit in 2022 went viral across social media because, well, truth. He wrote:

1. Figure out how to decline all but essential cookies
2. Close the support widget asking if I need help
3. Stop the auto-playing video
4. Close the “subscribe to our newsletter” pop-up
5. Try and remember why I came here in the first place

Beyond being dead-on funny, Andy’s simple anecdote also paints a high-contrast image of how much friction exists as brands try to integrate marketing and customer experience, navigate privacy and first-party data capture, plus attempt to use all the new DTC tools at hand. It’s indicative of what the *Economist’s* 2021 special report on retail describes as the current upheaval in shopping and a new customer-centric renaissance in commerce.

On the surface, one-to-one commerce describes a shift toward direct selling and a media landscape moving ever closer to addressability and precision at scale. But what are the details of that shift?

In this issue, we dig into the new dynamics shaping one-to-one commerce by exploring its proximity to home, highlighting how media and commerce are coming together in exciting ways, and providing a simple framework for data capture that starts with R-E-S-P-E-C-T. We even take a somewhat nostalgic look at attempts to mimic main street relationships of yesterday in a digital world.

There are more ways than ever to remind people why they like you, need you and should keep paying attention to you. The tools of the trade offer new opportunities and shortcuts.

But, keep in mind, when it comes to building first-party relationships, there are no shortcuts.

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ONE-TO-ONE COMMERCE

Brands are finding that the direct path isn't straightforward as DTC gives way to one-to-one commerce.

Key Takeaways

One-to-one commerce is about proximity.

The direct ecosystem is now omni-channel.

First-party relationships unite acquisition and retention.

Ecommerce has been in our lives for quite some time now. It's been synonymous with direct-to-consumer (DTC). The idea of buying directly from a website, paying online and having our orders shipped to our homes or pick-up locations is a familiar scenario. But one-to-one (1:1) commerce is ushering in a more diverse, connected and mixed-reality landscape that won't be defined by the traditional scroll-and-click e-commerce experience.

We're moving toward a more sustainable era of distributed capitalism. Web3 is a good example of this. Blockchain will allow people to port their data to create value without monetizing it. The breakdown of third-party cookies is indicative of this shift toward fair exchange and greater trust. What's so interesting is that both disintermediation (DTC) and decentralization (omni-channel) are growing. These two paths will increasingly intersect in commerce, consumption and data.

This new era of hyperconnectivity, manufacturing accessibility and mobility has led to a redistribution of influence and opportunity – empowering individuals. It's moving us ever closer to mass customization being fully realized. Why, where and how we shop (research, learn, browse, choose, evaluate, search, buy, share) cannot be pulled apart, becoming more personal and diverse. Brands are starting to realize they need to align with their customers more emotionally, precisely and adaptively, removing artificial barriers to value creation that people don't recognize (like online-offline divides). This shift puts a premium on meaningful consumption, trust, engagement and sustainability.

A SHIFT TO 1:1 COMMERCE

Embedded commerce, personal commerce, social commerce, interactive commerce, peer-to-peer commerce: These “qualifier + commerce” terms indicate the many paths emerging in the arena of 1:1 commerce.

Not simply another term for direct, 1:1 commerce includes direct in the traditional sense of communications, advertising and selling, but it also includes social concepts like sustainability, community and localism. That's because 1:1 commerce is organized around proximity. C Space, Interbrand's con-

sumer consultancy, writes, *“Decisions have become less about ‘how I get to people, goods, services, and experiences,’ and more about ‘how people, goods, services and experiences get to me’ with profound implications for brands in this space. From declining High Streets to remote working, the shifts we observe are registered as much in culture, way of life and livelihood, as they are on the NASDAQ.”*

Proximity is about our personal relationships to time and space, each other and our environment. A core distinction between proximity and direct is that one is non-linear and the other is linear. It makes sense that 1:1 commerce encompasses what is both direct and personal with our immediate context and environment. It's about what touches us. And in the context of connectivity, proximity describes omni-channel far better than direct does as something that moves with people. C Space emphasizes, *“Virtually every brand is a mobility brand. The way businesses reduce distance – physically and virtually – is an integral part of any business model, and an area for innovation. Where does what you do meet your customers? And how might that change next?”*

1:1 commerce promises to be organized around the consumer and to not commoditize consumer relationships. This evolution of DTC won't discern between online and offline – digital and physical channels and experiences are of equal value and, for younger generations, are equally authentic in their ability to connect, transform time and space or create presence.



TAKING THE DIRECT PATH

DTC has become mainstream. The distinctions between traditional and DTC models are becoming less discernable. Shopify's *Future of Ecommerce* report states, *“Advancements in technology and the growth of available marketplaces have made it easier than ever to buy and sell online. The ecommerce market is expected to grow by almost \$11 trillion between 2021 and 2025. As businesses came online during the COVID-19 pandemic, the global trend toward digitization surged ahead at lightning speed. Even as regions begin to reopen, ecommerce sales are still climbing.”*

Digitally native DTCs are recognizing that while there are many advantages to direct (control over brand, profit margin and customer data), they need to diversify their approach. An online-only direct approach isn't enough to sustain growth in the face of rising and unstable digital ad costs, privacy-forward realities and competitive market saturation.

Harvard Business Review found that audience segmentation isn't as precise as we think, even on basic demographic parameters. They tested the accuracy of the digital profiles data, finding that the age tier was only correct 23% of the time and gender was properly identified in well below half of the cases.

Polly Wong, President of Belardi Wong, a direct marketing agency, points out that digital is no longer cheaper than other direct options when you look at the costs: *“With cost-per-clicks increasing more than 30% in the last year, you can mail 4-8 catalogs to a highly targeted audience for the cost of one Facebook click.”*

The value in going direct is clear, but the omni-channel reality of doing so is sinking in. *Harvard Business Review's* analysis of DTC models emphasizes that omni-channel is essential to creating additional value. They also conclude that brand-building, using community to differentiate, deepening customer relationships and staying with customers after the transaction are critical areas of focus for growth (these are all recommendations of proximity).

At the heart of 1:1 is a shift toward made-to-order. This reaches past products and services toward marketing, UX and data privacy. Mark Cohen, Director of Retail Studies at Columbia University Graduate School of Business in New York, says, “*At the turn of the 20th century, the commander-in-chief of commerce was the retailer, with the manufacturer as an equal partner. Today it’s the customer who’s in charge.*”

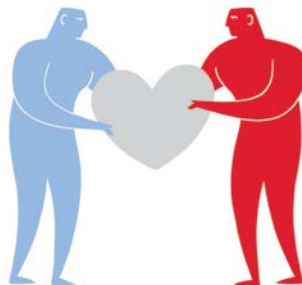
MADE FOR ME

In 2009, Coca-Cola launched its Freestyle fountain drink machines so that people could personalize their drinks. In 2014, the brand launched its *Share a Coke* campaign in the U.S. with first names on bottles and cans. Since then, personalization and customization are showing up in even more precise ways. From skin care, health and wellness products and apps, and makeup to pet food, personalization and customization are feeding 1:1 commerce. The Configurator Database provides a look at how mainstream mass customization has become.

From a personalization perspective: Vinome is a wine brand that wants to match wine to your DNA. Open Farm is a pet food company that creates a personalized menu for your fur baby by asking you some questions. Nordstrom has personalization down to hundreds of prescient algorithms pulling cross-channel data to make recommendations and experience more personally accurate.

“Made for me” creates a promise of something efficacious, enabling and deeply personal, with the term “precision” loaded with promises and high customer expectations. In *Precision Consumer 2030*, Sparks & Honey explains, “*When an item is designed specifically based on an individual’s data, it shifts consumer behavior and engagement with those products or services. The data gathered from us – and fed back to us in real-time – has the potential to inform our decisions, tastes and experiences.*”

Data (physical, digital, biological) and customer-directed choice architecture are helping companies tailor products and services, adapt customer experiences and create targeted, responsive marketing



to the individual with more precision. But where precision has clear advantages, it also needs scale to make it viable.

Personalization and customization create new value, keep customers sticky and foster more participation. The terms get used interchangeably; however, each provides different benefits to the 1:1 relationship. Personalization is brand-directed based on user data, while customization is customer-directed based on user choices. They should be planned and used as two separate strategies, even if they work together, with a clear idea of how they create value for people and the brand. The important thing about these strategies is that they include the consumer as part of the value equation.

SPINNING THE FLYWHEEL

Industry debates are increasing about acquisition and retention – which is a more important orientation for brands? This is partly due to market conditions and consumption patterns shifting growth to sustainable models emphasizing retention. Other factors include the shift toward first-party data and 1:1 commerce. These factors don’t change the fact that all companies need new customers and repeat customers. Scale is still important in a 1:1 commerce economy.

The debate is also in part due to the flywheel. The flywheel is an ecosystem model for creating renewable value – brand, business model and user are integrated to make it spin. Unlike the linear path to purchase, it’s a looped model creating a virtuous cycle between brand, offerings and audience.

The flywheel treats acquisition and retention as interconnected, emphasizing engagement. Flywheels require investment in their audience and are about accumulating advantage – as the flywheel gains energy, retention feeds acquisition as much as acquisition feeds retention. In the flywheel, direct relationships via apps, user-generated content, product feedback loops and communities have us selling to ourselves and others in our orbit, becoming medium and message.

1:1 commerce favours the flywheel where proximity is spun into a captive audience and regenerative value. Getting it all to move in the same direction – that’s the tricky part.

CONNECTING MEDIA

Media is merging with shopping, stores are becoming hubs for customer experience, direct message is competing with email and retail media networks are taking share from linear TV. If shopping is in upheaval, so is media.

People’s relationships with media keep evolving in line with technology and context. Marketers will need to keep pace with new media capabilities as they diversify channels and shift to omni-channel strategies.

Data stands behind media, moving toward direct. Whether it’s publishers getting back to direct relationships with advertisers or mainstream media becoming more addressable, direct media is flourishing. Direct media includes direct marketing channels like email and direct mail but now also includes retail media networks, connected TV, direct message, live-streaming commerce, smart devices and voice. But it’s not just about direct. It’s about the channel interoperability that makes omni-channel work – the synergies and connections between channels.

More and more channels are taking on direct capabilities. We need to consider different degrees of direct and different uses of direct channels, putting greater emphasis on why and how we use media and what proximity means to human connection and digital connectivity. There’s no better setting for this than the home.

THE OMNI-CHANNEL HOME

Our homes are becoming an integral part of the customer journey. All paths seem to lead home. It's an influential environment for marketing, a place to fill in or extend customer experience and the threshold where anticipation meets fulfillment. The majority of products we buy will be experienced at home. Yet many brands haven't taken the time to map the role of the home to our lives and the customer journey. In this issue's article "The Path to Home," Marie Lena Tupot explains, "No matter where we consider home at any given moment in time, we want to be wholly present in that space. Media can help play a role in the same way that it is helping dissolve space and time. Media can remind us of our presence. Having presence puts consumers in an empowered position."

Inherently, proximity means, "You get me" – personalization is an expectation. Direct mail is an exemplar of personalization in the home. According to Royal Mail Marketreach analysis of case studies in WARC's database of successful campaigns, direct mail campaigns are more likely to successfully use personalization.

With the proliferation of direct media options and addressability, we need to use media in ways that captivate customer attention and create a seamless experience. From an omni-channel perspective, the home mingles with people, devices and media (of all types) – proximity playing out in multiple dimensions. "Phygital" tools and connected devices are further integrating people with their environments – learning to anticipate us and respond to our needs. The cadence of home gives us space to think, feel and be – these are powerful

points of connection within the realm of direct media to address the *Harvard Business Review* conclusions cited earlier.

FIRST-PARTY RELATIONSHIPS

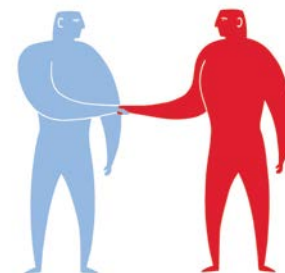
The DTC brands of a decade ago were first-movers and category disrupters enjoying the relative ease of e-commerce, funding and low digital costs. They could get away with walled gardens and email.

There are best-in-class examples of DTC brands (Glossier, Warby Parker, Allbirds). As DTC became mainstream, "me-too brand" saturation focused on product parity, price and ad efficiencies; relationships weren't the name of the game. Every channel became a direct sales channel. Looking back on Web2, we'll recognize how much ad infrastructure commoditized data and weakened direct relationships.

That's not to say that 1:1 commerce won't face similar challenges of commoditization if our attention is focused solely on technology and how data and media serve conversions. Market conditions and technology are moving brands into the direct space at a record pace. Right now, first-party data is a strong motivator for going direct in the face of third-party cookie breakdown and Apple privacy updates. And DTC doesn't guarantee a captive audience. People are showing they can shut the door on brands any time they want.

Brands are finding out that the direct path isn't as straightforward as it used to be. DTC is evolving, diversifying and organizing around proximity – identity, people, personal spaces, communities. The direct ecosystem is now omni-channel and more diverse.

There are more ways than ever for brands to go direct. Shopping, personalization and ecosystems are uniting brand and business model, customer experience and marketing into a flywheel that only works if people (consumers, users, customers, prospects, audiences) are at the centre. ■



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THE PATH TO HOME

By Marie Lena Tupot

1:1 commerce is opening up a whole new path to home that allows marketers deeply inside an intimate space, creating new dynamics and considerations.

To understand 1:1 commerce and the role of the home, we need to understand the prior archetypal shopper in their domain. Let's go back to 1966 for an example. An article "The return of one-to-one commerce" by Henry Tricks in the *Economist*, discusses Nike's first company store in Santa Monica.

Tricks explains that Jeff Johnson, Nike's first full-time employee, "kept card files of each customer, including their shoe sizes. He sent them Christmas cards and congratulatory notes if they won a big race. Many wrote back seeking Mr. Johnson's support and advice." This dynamic of reaching into the homes and hearts of people pulled customers into a familiar relationship with the brand and back into the store.

Fast forward to 2020, and suddenly we've been sequestered in our homes and thrust into an online digital world. This digital world was not unfamiliar, but as the COVID-19 outbreak led government officials to close non-essential businesses and schools and issue stay-at-home orders, many more aspects of everyday life migrated online. Commerce in its varied forms was one of those aspects.

HOME IS WHERE WE LEARNED

We learned to do all sorts of commerce activities online. We learned to confidently shop at home for necessities, from pink hair dye to comfortable clothes (now a new category referred to as homewear). We took yoga classes. We engaged in telehealth visits. We went grocery shopping. We bought liquor. We watched concerts. Over time, we found there was an efficiency afforded to us by doing such tasks online.

Meanwhile, manufacturers and service providers learned even more about us as our habits contributed trillions of gigabytes of data to their acquisition of knowledge. Together, in our desire to make our quarantined lives more livable, we tightened the game of 1:1 commerce. This is most evident in food delivery services. Such services got us what we craved as soon as we wanted it. DoorDash – like Uber Eats and its European peers Deliveroo, Delivery Hero and Grubhub owner Just Eat Takeaway – has seen the popularity of its food-delivery platform stick even

“Once a consumer transaction happens now, a whole new path to home opens, pushing harder on the dwelling of the shopper.”

as restaurants reopen. As a by-product of more direct communication through bytes, we moved one step closer toward sustainability – pretty much setting a foundation for businesses that only make exactly what we need. Smaller fashion companies, for example, had the ability and time to make to order.

The meaningful communication between consumer, seller and deliverer was not dissimilar to the correspondence of Jeff Johnson at Nike. It grabbed our attention and had us hooked. We can get exactly what we need or want. Ultimately, time and access to resources have enabled us to become more sophisticated, maker-driven consumers.

WE EXPECT TO HOLD ONTO THE GOOD WE GAINED AT HOME

Now vaccinated, millions are stepping carefully back into an in-person world, armed with digital prowess – empowered with a newfound appreciation for what home means to them. Of course, the digital relationships they established will resume – however, consumers will crave more tangible tactile experiences in response. In fact, Tahsin Mehdi and René Morissette with the Social Analysis and Modelling Division at Statistics Canada analyzed them and found that 80% of them would still like to work at least half of their hours from home once the COVID-19 pandemic is over. Workers had gotten into a rhythm of productivity at home.

Before the pandemic, there was talk about the underground bunker business booming among wealthy homebuyers worried about their future. This is not the direction the rest of us want to continue. "We're a social species. We really need others to survive," says Catherine Offord in her 2020 article "How Social Isolation Affects the Brain." Even before COVID-19 began its global spread, millions of people were already what researchers consider to be socially isolated – separated from society, with few personal

relationships and little communication with the outside world.

If we have learned anything through this pandemic, it is that humanity and people matter to us. In many ways, it is our humanity that makes a house a home – for nomadic renter and long-time homeowners alike. We make our choices within and around the home based on how we are connected to other human beings. This holds true even when we extend our living spaces outside the home and beyond work, as so many people did with Starbucks and local outdoor "watering" holes during the pandemic. Tech is simply a tool facilitating the process of human beings connecting and living better. This will play out further as we bring third and even fourth spaces into our lives as one comprehensive world we live in.

WE ARE RAISING THE BAR OF EXPECTATION

That said, we are hearing talks of the need for better humanizing Zoom and its other video conference peers by understanding the roles of empathy and creativity. If a technology is connecting your home and self to the world at large, empathy is required. That's true for direct marketing as well. Statista estimates that 347.3 billion emails worldwide will be sent per day in 2022. Statista also reveals almost 50% of those messages are spam. There is no empathy in that.

If something is going to enter the realm of our safe space, it had better be as inspiring as an unexpected invitation from Hogwarts. It is no surprise that Gay Lea's *Bake It Forward* campaign was a 2021 CMA Award winner. Gay Lea delivered custom baking kits to random households throughout the greater Toronto area. Each kit had everything needed to bake a giant cookie, decorate it with a special message, and then bake it forward by giving it to someone else. *Bake It Forward*

facilitated real human connections during a holiday season when so many connections were lost.

Bake It Forward was a perfectly irresistible direct mail campaign. There are others too. Vision and touch are key sensory components. Some employ handwritten sentiments. Some add sound chips to mail pieces. Others embed mini video screens into mailers. Some play with augmented reality, making images come to life. And others launch games via their direct mail. And some just simply engage in old-school clever writing – aiming toward landing smoothly and memorably inside someone's domicile.

The connection to home is even evident in the demand for mail forwarding. Our nearest neighbour, USPS, shows data demonstrating that the coronavirus pandemic upended moving trends. Over 15.9 million people moved in the U.S. alone during the coronavirus, although most of these moves were relatively local – just a shift in neighbourhood. Whether near or far, it was important for people to maintain their consistency of connection with the outside world. They didn't want to miss important mail. My home is where I am.

Concepts of home had been evolving long before COVID-19 brought us and our ideas to a screeching halt. COVID-19 left us to ponder the meaning of home, the lack of freedom to travel and our general mobility, as well as the context of every looming serious issue from climate change to globalization.

WE ARE HEIGHTENING AND EXPANDING OUR SENSE OF PLACE

It quickly became clear that we had lost our sense of place. Technology rushed in to fill the void of human connection while we pushed back on Marie Kondo's ideals of KonMari and held onto our clutter. Now, we need to evolve from that seemingly powerless moment in time. Evolving will take ingenuity and creativity more than anything else.

The whole house is expected to emerge as a responsive, integrated structure. The



“1:1 commerce is opening up a whole new path to home that allows makers deeply inside an intimate space, creating new dynamics and considerations.”

concept has matured well beyond its early days and aspirations of arriving home to a soaking tub filled perfectly with hot water. *“In order to accommodate its residents, a house must be able to adapt to what they want and need,”* Masi Mohammadi, professor of Smart Architectural Technologies at TU Eindhoven in the Netherlands, told Linda Bak for *Innovation Origins*. Mohammadi has her own vision of housing construction. *“I think that in the future a house will be a big robot. Our homes will then take care of us. A house will no longer be static but will adapt to our way of life and needs. It*

will literally and figuratively move with the residents.” Homes will age in place with us.

However, presently we are stuck in surveillance mode. The current state of global affairs has us cued up about what's on the other side of our walls, who is coming up to the door. We're not comfortable. Once a consumer transaction happens now, a whole new path to home opens, pushing harder on the dwelling of the shopper. Social media, messaging services and apps have brought producers and consumers closer together. That proximity allows

“No matter where we consider home at any given moment in time, we want to be wholly present in that space. Media can help play a role in the same way that it is helping dissolve space and time.”

makers deeply inside an intimate space, and results in a new normal of inviting them inside where a person lives.

Not that inviting commerce inside is a new concept. There once were Fuller Brush salespeople, encyclopedia hawkers, lace tablecloth makers and insurance salespeople throwing their wares on our kitchen tables. Consumers today, though, have a wider breadth to pick and choose from at their own demand. This is the beginning of behaviour leading toward consumers having things on their own terms as well. We're not exactly there yet.

WE WANT TO BE DELIBERATE IN OUR CHOICES

Consumers are making deliberate, conscious choices. They have plenty of time to think about what they are buying – to explore and evaluate. This heightens the anticipation of arrival. Further, the journey is not yet a seamless one. From within their homes, on PCs and on mobile devices, they're relentlessly tracking their precious parcels. They can't arrive fast enough.

They're also installing smart garage door controllers so they can give drop-off access to trusted delivery personnel if they are away from home. One would not want to miss out on a delivery. Building trust is critical all around.

Once they get products inside, there are other concerns. Is the packaging recyclable? Is it sustainable? Is it reusable? Cosmetics company Lush recognized this early on and sells 65% of its permanent products without any packaging. Consumers also ponder whom they might call to get support and help – like assembly. In 2017, IKEA Canada acquired TaskRabbit to attempt at helping with in-home assembly and mounting services. It's not perfect, but it is a move toward reliable partnerships.

The last mile is more emotionally invested than ever before – it's exhausting. This is especially ironic as we embark on an age of localism.

WE EXPECT MEDIA TO RISE TO A HIGHER POWER

Clearly, our sense of place is evolving. No matter where we consider home at any given moment in time, we want to be wholly present in that space. Media can help play a role in the same way that it is helping dissolve space and time. Media can remind us of our presence. Having presence puts consumers in an empowered position.

Canadian philosopher Marshall McLuhan described media as an extension of the senses. In his 1964 book *Understanding Media: The Extensions of Man*, McLuhan posits that the media, not the content, should be the focus of our studies. Following that principle, the very existence of direct mail affects society. It plays a role determined by its characteristics alone. In a recent search, there are 180,000 results on Google for the phrase “how to stop junk mail.” Yet sustainable, wanted direct mail is easily within reach.

Do we do enough to make it wanted in our homes – to make it irresistible, environmentally-friendly, foster empathy and creativity or create presence and connection?

Direct mail, something physically pushing its way into our personal space, holds a great responsibility in knowing how it can be used to empower the presence we want within what we call home. That said, we need to understand how a consumer is using their home at this moment in time. Is home a bunker? Is home a cocoon? Is home a stage? Is home a maker space? Is home our little world – or are we reaching out globally from within? Is home becoming a portal to connected experience?

We're seeking narratives that help us come into being. Media can help us realize those personal stories if it has empathy for what we are dealing with. To know what home means to a consumer requires that media is responsive and adaptable. Interestingly, through unique codes and interaction, direct mail itself is providing another path for technology to enter the home – a path that provides marketers with more responsivity and adaptability (deeper analytics, targeting and experience).

Having a solid connected perception of direct mail in the home is critical to its success. Direct mail is currently having a good run as it serves as a respite for the Zoom-weary and a tangible shortcut averting eyes away from overloaded email inboxes. To sustain that level, direct mail needs to power forward in the most human of ways as the country returns to normal. ■

This is the first of two articles exploring the new intersections between the home and commerce and the home and identity.

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THE WAY OF THE BUTCHER

By Normand Miron

*The missing link in the 1:1 relationship
equation is something technology
can't solve, but it can enable.*

Everybody's talking about one-to-one today. It may seem like just another gadget to add to your digital marketing toolkit, but not long ago one-to-one played a crucial role in every business relationship.

Marketers could learn a lot from my mother's butcher.

A wise man (and quite an efficient salesperson), Claude was our family butcher when I was growing up. He was a gentle soul who knew his customers, down to family member names and what they preferred to serve at dinnertime.

From opposite sides of the counter, Claude and my mother listened to each other – a two-way exchange based on mutual respect, information sharing and finding the best (perhaps even tastiest) solution.

The Way of the Butcher balanced – and exponentially improved – the relationship equation.

Today, replicating the one-to-one commercial relationship like the one my mom and Claude had 50 years ago is far from easy, even with the help of technology. But it may be more vital than ever in order to thrive in a rapidly impersonal world where brands are increasingly going direct-to-consumer in the hunt to capture first-party data.

Progressively, digital has taken us down a path of shortcuts that have relied on the impersonal to achieve the personal. That's because the equation has been imbalanced, weighted toward the brand, not the customer. And for the most part, that's a problem of orientation, not technology.

With the arrival of new and better technology, marketers now have the tools they need to build an authentic one-to-one digital relationship with their customers. But personalization comes with its own set of challenges: What if we are focused on the wrong "one" in the one-to-one relationship? What if the missing link in the equation was something Claude knew all along?

“The draw of digital is its infinite capacity to create, cultivate and amplify engagement. But there is no engagement without relevance.”

HUMAN ERROR IN THE MACHINE

The human vs. machine divide is nothing new. But 20 years of working on the *interweb* has taught me that human error is often at the root of the problem. Artificial intelligence – no matter how intelligent – is only as useful as its programming and intent.

In their search for the digital 1:1 relationship, the modern *homo marketus* has been paralyzed in the headlights of tech, taking their hands off the wheel and their eyes off the consumer. Blinded by all the possibilities, they confused personalization with automation. That has come at a price.

Personalization implies consumer-centricity in creating attention, engagement, context and relevancy; automation can easily create a false sense of security, giving the marketer permission to disengage. Like when a chatbot jumps in with the social skills of a doorknob. Or when an ad for an electric screwdriver stalks you across the internet.

My thoughts always turn to the human being who thought this was a good idea – the one who signed off on the strategy, who clearly never tested it, the one who never considered if the customer even wanted it or how they would experience it.

The draw of digital is its infinite capacity to create, cultivate and amplify engagement. But there is no engagement without relevance. Instead of getting hung up on automating the relationship, marketers should focus on ramping up the relevance.

That is the Way of the Butcher.

PERTINENT PERSONALIZATION

There will be 376.4 billion email messages sent every day by 2025. Yes, billion. It is no surprise then that 64% of SMEs use email for their marketing. But meanwhile, 26% of business emails bounce back, 16% never make it to their destination and 40% of

consumers admit to having 50 or more unread emails idling in their inbox.

Think about it: Of all the subscription emails you get, how many are both personalized and useful?

The answer is very few, in my experience. Far too often, the only time I interact with these emails is when I try (often frustratingly unsuccessfully) to unsubscribe when their irrelevancy has finally exhausted my legendary patience.

Programmatic ads drive 72% of display ad traffic. On the surface that sounds great – being able to follow a consumer around the internet instead of waiting for them to show up on your site. But what you gain in higher frequency and lower media costs, you often lose in context.

Remarketing is a powerful tool. But without thoughtful settings, a clear vision of the customer journey and a sequenced scripting of the messages to be displayed, it can quickly morph into advertising abuse.

CONSUMERS AREN'T DONE WITH DIGITAL

When you try to capture the human element of the business relationship, that's when the shortcomings of a digital-only 1:1 approach become all too clear.

The more you try to vaguely personalize, the more blatantly you miss the mark. The more you try to approximately mimic brands that excel at meaningful marketing, the more the gap widens between the leaders and the laggards. The more coercive you get with customers under the guise of personalization, the more creeped out they'll be.

The numbers don't lie:

- › 25.8% of consumers block digital ads.
- › 77.4% of consumers complain of being hounded with the same ad too many times.

- › 63% of consumers are willing to drop brands that use poor personalization tactics.
- › 78% of CMO Club members consider it “inexcusable” to force-feed customers ads for products they’ve already purchased.
- › 74% of CMO Club members believe bad ads undermine brand loyalty.

People don’t have anything against digital advertising or emails per se. They’re just tired of irrelevant pitches. They want good advice, prompt assistance and considerate service.

Have I mentioned my mother’s butcher?

TECHNOLOGY WITH THE PERSONAL TOUCH

I’ve been touting the importance of humanizing digital relationships for more than a decade. Clicks, likes and follows all make for sexy statistics in a slide deck. But digital relationships are much more than that. Maybe it’s time to embrace the full potential of the “phygital” world that COVID accelerated.

After two years stuck at home, we’ve found numerous ways to feel close to our loved ones even when we can’t be together. I admit, visiting with your parents, nieces or in-laws over Zoom isn’t nearly as nice as seeing them in real life. But it’s something. And mailing a handwritten letter to a dear friend isn’t quite the same as sipping a Chardonnay by her side. But it’s something.

Intuitively, we understood how to use these tools to stay emotionally connected – to keep things personal. Technology hasn’t stripped us of our humanity; it has elevated it. Why not use that as inspiration in our own approach to 1:1 relationship tactics? What if we injected an authentic, personal touch into all the opportunities for personalization that data brings?

Scroll through sites that list the key traits a model salesperson needs to have, and you’ll find the same advice: listen, interact, create value, be accommodating, get feedback, create a consistent customer experience.

That’s what every good salesperson does.

“When you try to capture the human element of the business relationship, that’s when the shortcomings of a digital-only 1:1 approach become all too clear.”

That’s what my mother’s butcher did.

Why wouldn’t we?

Let’s figure out how to use technology – not as an end, but as a means to apply generous spritzes of our brand’s humanity. Consider this:

- › Mailing a customer a VIP invitation to the launch of a new collection isn’t just personalized, it’s highly flattering and adds the right personal touch.
- › Emailing a new customer of a cookware brand to share links teaching them how to prepare a lesser-known fish is thoughtful and useful and adds a tasteful personal touch.
- › Inviting the buyer of a pair of running shoes to participate in a webinar on fitness and running adds an encouraging personal touch.
- › Sending a customer a birthday card just to mark their special day and expecting nothing in return is sweet and adds a welcome personal touch.

But emailing a customer who just bought a pair of pants online to urge them to buy a shirt and a sweater on sale does not add humanity. Neither does keeping a customer trapped in automated phone system purgatory, imposing character limits on online email forms or forcing someone to wait 48 hours for a response to a simple online request.

No, Claude the butcher would not have approved.

RELATIONSHIPS ARE EARNED, NOT BOUGHT

In our rush to move from paid media to owned media, we seem to have forgotten to inject the wise humility of the earned media model in the 1:1 equation. Relationships can’t be bought. And they can’t be owned. They have to be earned. They have to be worked at. And they have to be nurtured.

Artificial intelligence is proving to be a powerful driver in building the optimal 1:1 digital relationship, but there is no place for artificial empathy or artificial affection. It’s up to us to cut these irksome imposters out of the equation.

It’s up to us to embrace the Way of the Butcher instead.

A brand that disregards the pivotal role consumers play in their ecosystem has nothing more than an egosystem. Is there anything more obnoxious than brands that only talk to themselves?

That’s something Claude the butcher understood full well – and Mom would have agreed.

Miss you, Claude. Miss you, Mom. ■

Normand Miron is an acclaimed creative strategist (with 130 international awards to prove it) who has helped brands and agencies make digital marketing work for more than 20 years. Intrigued by direct mail’s ability to combine the digital and physical better than ever before, he came to Canada Post in 2021.

CASE STUDY

Not wanting to sleep on untapped opportunity, Canadian Down & Feather turned to direct mail to re-engage website browsers.

UPSIDE OF DOWN

Canadian Down & Feather Company is a Canadian manufacturer of down, feather and down-alternative bedding products.

These “proud Canadians, sleep enthusiasts, comfort addicts and lovers of breakfast-in-bed” are known for innovative, smart design and environmentally conscious production. The company’s operations are Carbonzero Certified for emission mitigation and offset strategies, as well as IDS and Responsible Down Standard (RDS) certified to ensure animal and human welfare throughout the supply chain.

For the last three years, the North York, Ont.-based brand has ranked among Canada’s fastest-growing companies, as its products and philosophy mesh perfectly with rising consumer focus on home comfort, wellness and sleep luxury.

CHALLENGE

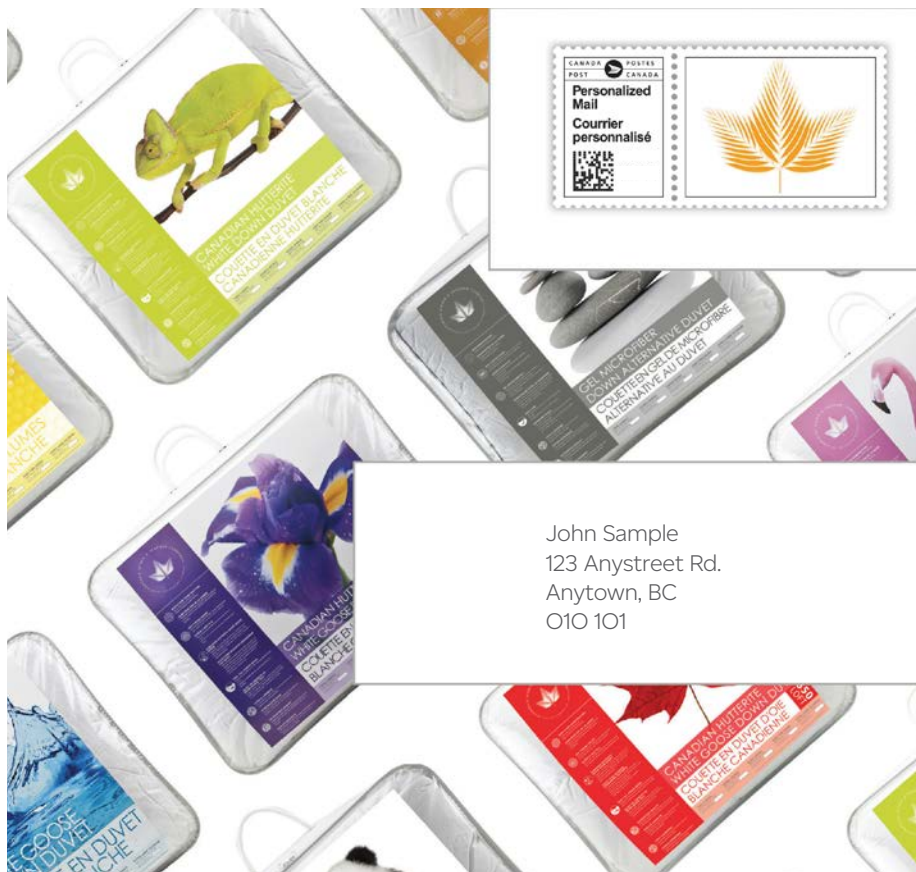
Canadian Down & Feather sells its high-quality duvets, pillows and mattress toppers through both retailers (Wayfair, Amazon, eBay, Costco and The Bay) and its own website (canadiandownandfeather.com).

While the brand had no shortage of people visiting its website, those visits were not translating into sales, as some customers were abandoning filled carts while others were leaving the site even before creating one.

Canadian Down & Feather needed a new way to re-engage these browsers and encourage them to return and buy.

RELEVANCE

The bedding category can be anything but comforting, filled with a lot of choice and seemingly similar products. Website product scrolls can make it hard to evaluate and choose a product or truly connect with a brand.



Retargeting interested consumers in a timely fashion with relevant product offers to motivate them was a solid approach, but the brand wanted to see what reaching people physically in their homes with one-to-one communications could do.

That’s what makes perfect partners of digital commerce and direct mail – the ability to turn individual digital shopping exploration into personalized, tangible moments of brand connection.

With all eyes on at-home shoppers, marketers have been gifted an opportunity to create omni-channel experiences that bridge online and offline. Using advanced data technologies and marrying first-party data with postal codes, marketers can turn browsers into buyers by re-engaging their online intent in the physical world.

INCITING ACTION

Through data analysis, Canadian Down & Feather used shopper data to launch a remarketing campaign to cozy up to high-value consumers.

For three months, website browsers from Ontario, Quebec, Alberta and British Columbia were greeted by a pop-up window asking them to share their location information. For those who agreed, Canadian Down & Feather collected the addresses of browsers living in a single-unit dwelling (house or townhouse) who explored the site but left without making a purchase – taking special note of what items they interacted with on the site.

Based on that information, Canadian Down & Feather retargeted those browsers with direct mail featuring a special offer on the items viewed with the goal of increased conversions and total net new customers.



RESULTS

Canadian Down & Feather can sleep well knowing it succeeded in re-engaging high-value shoppers. The campaign generated an average revenue per order of more than \$450 – 65% higher than the brand's digital-only marketing streams via Google Ads, Mailchimp and Facebook.

The direct mail creative produced a consideration shortcut that helped people tangibly evaluate the brand and products. More than half (56%) of respondents purchased the items highlighted in the direct mail (which they had previously viewed online). By engaging the senses, physical media has a big advantage over digital in conveying product quality and value.

Overall, the campaign generated revenue of more than \$11,000, but the results stood out for other reasons.

Even people who weren't targeted made purchases. That means those who received the direct mail at home shared that promotion with others. In other words, direct mail is a shared experience with great pass-along power. Millennials, for example, not only pay more attention to direct mail than any other consumer age group, but they are also the most likely to share it – 77% bring it to the attention of another member of the household.

"The entry into direct mail was daunting for us initially, as a digital-first company, but

after this test, we can proceed much more confidently, and we are integrating direct mail marketing into our overall strategy for the future," says Heather Walker, Director of Operations at Canadian Down & Feather Co.

Case Study Debrief

BRAND Canadian Down & Feather Co.

INDUSTRY Retail

INCITING ACTION

Canadian Down & Feather retargeted website browsers who did not make a purchase with direct mail featuring a special offer on their viewed items.

RESULTS

The direct mail test generated an average revenue per order 65% higher than the brand's digital-only marketing efforts.

CONVERSION FUNNEL

Dots indicate where direct mail was used to incite action.



DATA SOURCES

First-party; postal code data

PRODUCT

Personalized Mail™

ACTIVATION PILLARS

- Physicality
- Data
- Connectivity

KEY TAKEAWAYS

- › Direct mail creates a shortcut between exploration and evaluation.
- › First-party with postal code data creates higher-value digital conversions.
- › Creative in a physical format enhances feelings of quality, value and trust.
- › Direct mail has pass-along power.

“ *The entry into direct mail was daunting for us initially, as a digital-first company, but after this test, we can proceed much more confidently, and we are integrating direct mail marketing into our overall strategy for the future.* **”**

– Heather Walker, Director of Operations at Canadian Down & Feather Co.

CASE STORIES

A collection of global work from across industries showcasing how marketers are using direct mail media to get closer to their customers.

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CASTING FAMILIAR CHARACTERS

First-party data generates holiday ticket sales.

The show must go on – but selling a few tickets always makes that easier.

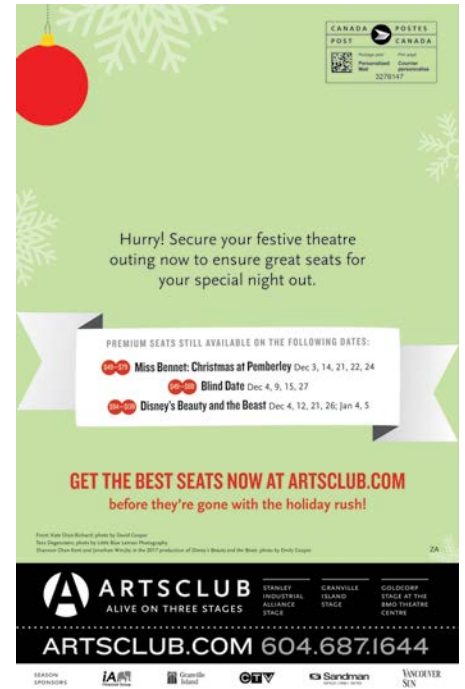
Founded in 1958, the Arts Club Theatre Company (ACTC) is the largest not-for-profit urban theatre company in Canada with a quarter of a million patrons watching productions annually.

The holiday season (November to January) is particularly important to the organization, as ticket sales during those few months support the theatre's operations for the entire year. For a recent holiday campaign, ACTC looked at its own database for prospects who had not yet purchased tickets, rather than chasing new customers.

Powered by 30,000 pieces of personalized direct mail, the *Holiday Hits – Now Playing!* campaign spotlighted the upcoming performances and encouraged patrons to secure seats for their special night out – but it did not offer any ticket discounts.

Digging into its first-party data to create business value helped *Holiday Hits* generate a higher-than-average response rate of 2.26%. Additionally, as no discount was involved, the average ticket price was higher. The campaign ultimately generated a remarkable 500% return on investment. Ongoing testing and analysis revealed that those who only receive ACTC's emails but not their direct mail buy fewer tickets.

Data and the arts might not be linked in everyone's mind, but for ACTC, giving both a starring role is helping to secure a full house for its performances.



COMPANY: Arts Club Theatre Company | PRODUCT: Live shows | COUNTRY: Canada

DRIVING TO NEW HEIGHTS

Lexus moves mountains to demonstrate off-road SUV's capabilities.

Sometimes, you have to move mountains to get in front of the right audience.

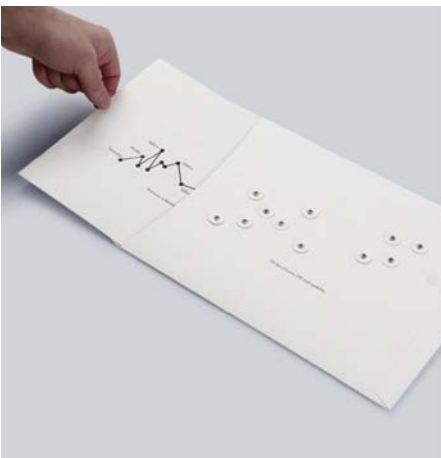
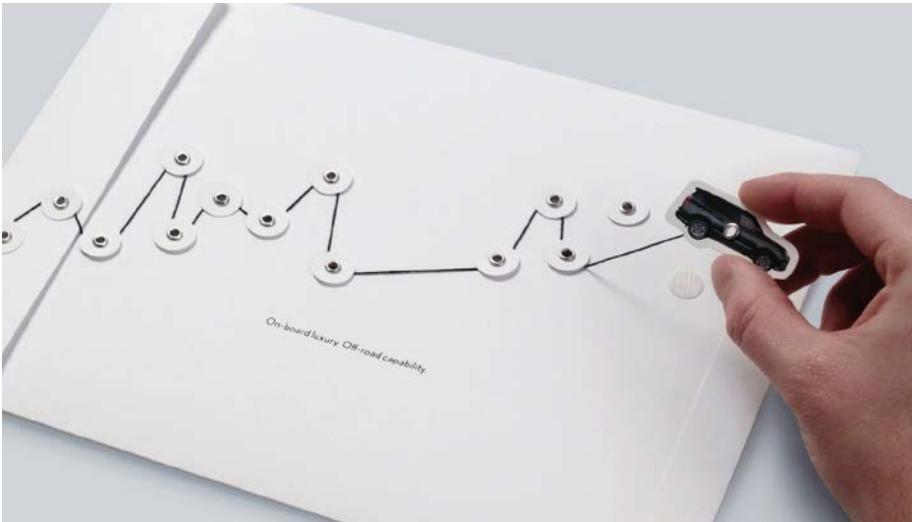
Targeting an adventure-seeking, high-income demographic, Lexus and its agency partner created a physically engaging demonstration of the hill-climbing ability of the Lexus GX by turning the simple mechanism of a manila envelope into an adventure.

To open the direct mail, the recipient had to remove and unwind a finger-sized off-road luxury SUV from point to point in what was meant to represent the drive between Vancouver, B.C., and Banff, Alta. The brand hoped the direct mail would showcase the hill-climbing ability of the vehicle without the customer needing to leave the comfort of their home or office.

Those who were curious enough to unravel the mail fully were sent to a landing page to enter a contest to win a trip along that exact mountainous drive in a GX.

The all-terrain envelope didn't just turn direct mail into an interactive customer experience that demonstrated the product features and benefits – it also helped the GX hit record sales numbers, with a 500% increase year-over-year.

That's the kind of peak performance that's worth the climb.



COMPANY: Lexus | PRODUCT: SUV | COUNTRY: Canada | AGENCY: DentsuBos | AGENCY TEAM: Executive Creative Directors: Travis Cowdy, Lyranda Martin Evans | Art Director: Amber Arezes Copywriter: Shane Rodak | Production Director: Rajesh Bhalsod | Print Producers: Mickey Spinoso, Zeinab Panahi | Group Account Director: Dawn Lacuesta Hau | Account Director: Kelly Ho | CLIENT TEAM: Melanie Testani, Olena Sapojnikova

PANDEMIC PIVOTS

A healthy response to fundraising challenges.

Every aspect of health care has been impacted by the COVID-19 pandemic – fundraising included.

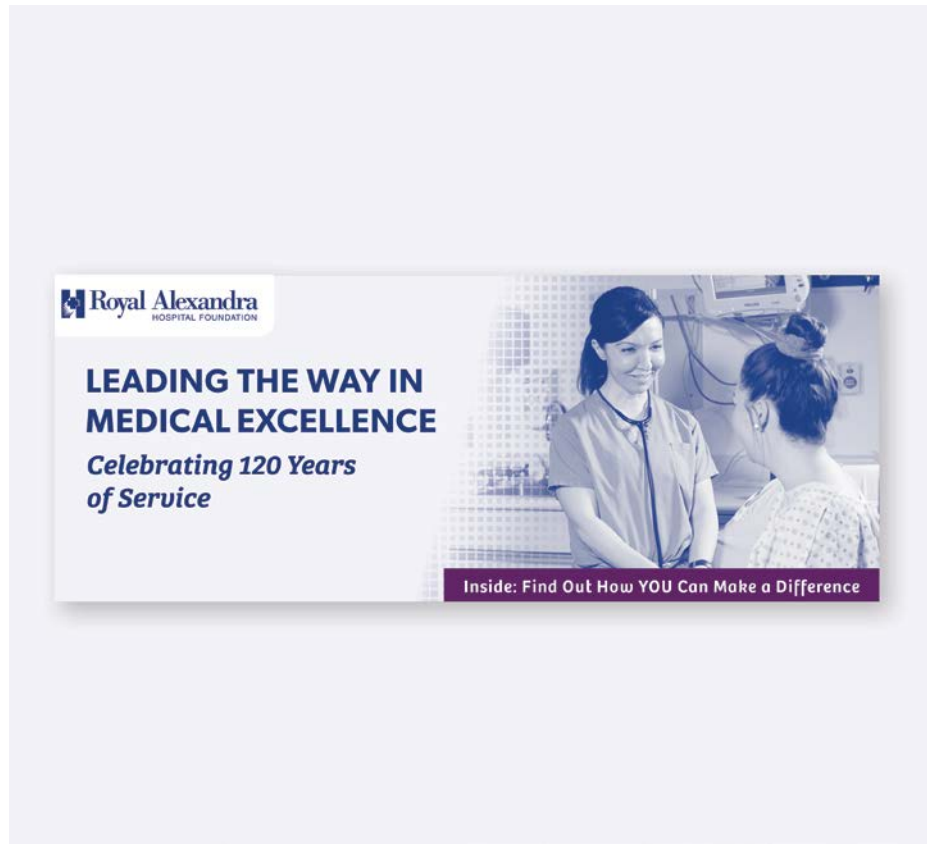
Established in 1984, the Royal Alexandra Hospital Foundation supports the 123-year-old downtown Edmonton medical centre through various fundraising initiatives, from in-person events to long-term capital campaigns.

With the rise of COVID-19, the foundation needed to adapt its fundraising model and marketing strategies. It pivoted its annual summer race to a virtual run and its 600-person gala to a television special. This put extra pressure on the spring direct mail campaign, which now focused on the need created by the pandemic.

Traditionally, annual campaigns with direct mail at the centre are a key part of the foundation's acquisition strategy. They know it works, so it wasn't a question of abandoning the channel. Instead, message and channel use were optimized. Audience data was reanalyzed to spot potential new donors during a time when people's circumstances may have changed.

The spring campaign generated a standout result of \$130 on average from each donor, including a campaign backing the television special generating a return of 9.5%, bringing in \$86,400. Direct mail was also deployed to re-engage past donors with one-to-one communication. And that investment paid off too, generating more than \$88,000 and spurring 764 past donors to contribute again.

Direct mail proved nimble enough to support the pandemic pivots and make a healthy contribution to fundraising.



SERVING UP SUCCESS

Quebec franchisor pushes new takeout services.

Foodtastic needed a recipe for success in a pandemic. When restaurant dine-in service closed due to COVID-19 restrictions, the Quebec-based Company, which manages 370 restaurants, adjusted its business model quickly to focus entirely on takeout and delivery. That meant expanding delivery zones, overhauling websites and rethinking marketing strategy across all their properties.

Foodtastic had two banners with existing delivery services, so those customers simply needed reminding of the service's availability. For customers of its other banners, however, the company needed to get the word out that delivery was now available on third-party apps.

Foodtastic worked with Canada Post to design an effective consumer awareness campaign using Canada Post Neighbourhood Mail™ to drive the greatest possible traffic to locations now offering takeout and delivery.

Balancing reach and relevance, location-based data analytics enabled Foodtastic to map out prime areas containing households most likely to respond to its direct mail. They used Canada Post's Precision Targeter™ tool for their initial campaign plan.

Adapting channel use along with data insights, Foodtastic successfully diverted customers to its takeout service. At Rotisseries Au Coq, for example, takeout sales were up 21.7% year over year by January 2021, with the average order also growing to \$27.37 compared to \$25.88.

The results show direct mail not only cooks up success – it also delivers.



BUZZ-WORTHY PROMOTION

CSR report doubles as wild bee habitat.

Wild bees may not produce honey, but they do pollinate 80% of all wild plant species, 75% of cultivated plants and 90% of fruit trees. However, wild bees are in danger of extinction, even though they are vital to the preservation of our environment.

To support the bees, ad agency BETC transformed its corporate social responsibility (CSR) report into a hotel for wild bees. The ecologically responsible design mimicked the sort of shelters that bees seek out for themselves in their natural habitat: small cavities such as snail shells, plant stems and tree holes.

These cavities were recreated by the pages of the CSR report, which was printed on waterproof mineral paper containing pumice stone to guarantee its durability in every type of weather condition. The report was mailed to clients, potential clients and opinion formers in the marketing and media world as a way to not only showcase corporate accomplishments, but also make a clear statement about corporate commitment.

The reconfigured report was shared by recipients across social media, showing that whether in the city, in the country, on balconies or in gardens, every space could contribute to the preservation of bees. It was a buzz-worthy promotion with a big impact.



COMPANY: BETC | PRODUCT: Advertising | COUNTRY: France | AGENCY TEAM: Executive Creative Director: Remi Babinet | Creative Director: Jerome Galinha | Art Director: Nicolas Amiard Copywriter: Arthur Cieutat | Producer: Benjamin Nieto | Agency Managers: Valérie Richard, Alexandra Amana, Mathilde Chamak | Traffic Manager: Celia Chiarotto-Dafi

COOL WAY TO ENGAGE

Swiss hockey team melts fans' hearts with memento of "silent season."

When fans couldn't go to the ice, the ZSC Lions took the ice to their fans.

The Zürcher Schlittschuh Club Lions are a professional ice hockey team located in Zürich, Switzerland, playing in the National League. The team's home arena normally seats 11,200 screaming fans; however, restrictions put in place to combat the COVID-19 pandemic reduced that number to zero for the 2020-21 season.

Essence of Lions was a unique memento of that "silent season," conceived to thank fans for their support and anticipate their return to the stadium. Emerging from the mantra, "When the world freezes, melt," Essence of Lions was a 15-millilitre bottle of water made by melting ice from the rink where the team had spent the season without spectators.

It was a surprising gift that engaged fans at home and kept them emotionally invested in the 90-year-old franchise. The direct mail piece led fans to a page on the club's website where a film explained the gift alongside additional content of players and management reflecting on the past year and looking forward to being reunited with their fans.

Although the small bottles were intended as a collectible, the mailing suggested a host of uses for the water they contained, from baptizing baby ZSC Lions fans to cleansing rooms of evil spirits and polishing trophies.

Following an outpouring of fan support across social media, every season ticket holder renewed – proving that sometimes the best goal of the season is scored off the ice.



COMPANY: ZSC Lions | PRODUCT: Entertainment | COUNTRY: Switzerland | AGENCY: Serviceplan Switzerland | AGENCY TEAM: Chief Creative Officers: Raul Serrat, Pam Hügli | Executive Creative Directors: Marcin Baba, Micha Seger | Creative Director: Michael Kathe | Copywriters: Henry Clarke, Peter Liptak | Art Directors: Nadja Tandler, Tizian Lienhard | Art Buying: Nathalie Jakober | Production: Carmen Anderegg, Denise Goldmann | Account Executive: Nicolas Gspan | CLIENT TEAM: Chief Marketing Officer: Roger Gemperle | Marketing & Sponsoring Manager: Louis Huber

CRY FOR HELP!

Board game reminds Aussies not to roll the dice on life.

Australia is a uniquely risky country: floods, fires, tremors, tornados, burglars and bin chickens – all in one place. But while Aussies know they're surrounded by risks, 32% of them assume everything will be fine. Talk about risky behaviour.

To get the nation thinking about risks and how to protect themselves, NRMA Insurance tapped into one of the country's fastest-growing trends – board games.

Working with agency CHE Proximity, the insurer launched *Help! The Game*. In it, players accumulate assets such as cars, homes, boats and pets, but also must protect these items with giant domes that represent insurance. The player who finishes the game least impacted by Australia's many threats wins.

NRMA made 30,000 copies of the game available to buy online and in every Kmart store across New South Wales and Queensland (with a portion of each sale supporting the Australian Red Cross).

In addition to its standard promotional channel (out of home, video, digital, social media and e-commerce activations), the insurer brought a more personal connection to its message by mailing the game to social media influencers who had experienced loss due to the dangers typically suffered by Australians. Those influencers, in turn, shared the game with their followers and discussed how it meant something personal to them as a result of their losses.

The results were just the kind of *Help!* Aussies needed to take risk seriously.



COMPANY: NRMA | PRODUCT: Insurance | COUNTRY: Australia | AGENCY: CHE Proximity
AGENCY TEAM: Chief Creative Officer: Ant White | Executive Creative Director: Wesley Hawes | Creative Directors: Ashley Wilding, Daniel Davison | Senior Art Director: Nico Smith
Senior Copywriters: Mark Carbone, Zac Pritchard | Production Credits: Collider | Experience Director: Murray Bell | Creative Director: Andrew van der Westhuyzen | Technical Director: Hugh Carrick-Allan | Senior Designer: Mitch Brown | Head of Studio Production: Naomi Iland
Game Consultant: Brendan Keogh | Group CEO: Chris Howatson | Group Account Director: Shane Holmes | Senior Account Director: Tyson Mahon | Senior Account Manager: Charles Todhunter | Director, Strategic Production: Holly Alexander | Head of Design: Darren Cole
Digital Design Lead: Reece Lawson | Designer: Michael Macgregor | Chief Strategy Officer: David Halter | Head of Strategy: Nick Andrews | Senior Technology Project Manager: Olivier Boulbain | PR: Thinkerbell

PLAY WITH YOUR FOOD

Guide helps parents along on their child's healthy food adventure.

Ella's Kitchen is dedicated to helping parents make choices that help their children grow up loving good food. That starts at the time of weaning.

Looking to recruit parents whose children were embarking on their weaning adventure, the Ella's Friends campaign used social media to attract sign-ups to receive a free direct mail weaning kit and access to emails packed with tips and recipes.

The kit provided a comprehensive weaning guide (featuring nutritional tips, recipes and advice), a chart to track children's veggie weaning tastes and vouchers to sample yummy new products from the Ella's Kitchen range. Guiding parents from the minute their child started weaning to the age of 12 months, the kit was accessible, useful and playful.

The campaign successfully got the brand inside homes, where the food adventure starts, with content that reinforced brand intimacy and fostered stronger customer experience, product trial and usage.

Today, 62% of all new weaning families sign up to be Ella's Friend every month. Targeting parents via social media, email and direct mail, the kit relaunch campaign saw a 19% uplift in "friends" joining the program – proving that the best way to create healthy habits young is to play with your food.



MIDNIGHT MAGIC

Movie promotion brings home globe-spanning connections.

Netflix took to heart the words of author Arthur C. Clarke, who once said that “any sufficiently advanced technology is indistinguishable from magic.”

The Midnight Sky is a 2020 American sci-fi film directed by George Clooney and distributed by Netflix. The story follows a lonely scientist in the Arctic as he races to warn a crew of astronauts not to return to Earth, where catastrophe awaits.

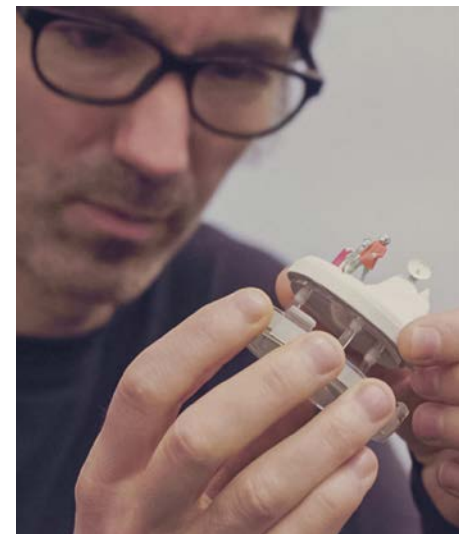
To celebrate human connections and raise awareness of the movie, the online streaming giant blended one-to-one marketing with cutting-edge tech to generate buzz.

Netflix and its agency partner developed “magically” connected snow globes and mailed them to Spanish social media influencers. Each influencer received a pair of globes – one for them and one for a person of their choice. Connected via clever sensor and communication tech, the globes allowed for connection between the two people – shake one globe and the other reacts the same way, even if hundreds of miles away.

The idea created a storm of excitement online thanks to the influencers sharing their experience.

In total, more than 2.3 million people were reached with an earned media equivalent to €175,000 (\$245,000 Canadian).

These out-of-this-world results celebrated more than a movie launch – they reaffirmed the true magic of human connectedness.



COMPANY: Netflix | PRODUCT: Movie | COUNTRY: Spain | AGENCY: Andtonic | AGENCY TEAM: Creative Direction: Alvaro Rey Cabeza | Co-ordination: Maria Dominguez Val, Alex Saavedra | Tech Direction: Daniel Balboa Navarro, Mauricio Rubio Rodriguez | Art Direction: Marcos Watt Garcia, Estefania Acedo
CLIENT MARKETING: Sara Calatrava, Nerea Hernandez, Juan Munoz, Estefania Garcia



Paris Jewellers | Retail

FELLOWSHIP OF THE BLING

Stories that sparkle boost sales.

Paris Jewellers knows that behind every special occasion is an equally special story – and the company wants to be a part of both.

For its annual holiday marketing campaign, *Moments*, the Alberta-based brand produced a stunning 32-page gift guide showcasing 250 pieces of jewellery and the heartwarming stories behind the purchases – tales of marriage proposals, mother-daughter moments and Christmas morning surprises. Sprinkled throughout the print guide, QR codes linked shoppers to videos that brought the stories to life.

Paris Jewellers sent out 600,000 gift guides via Canada Post Neighbourhood Mail™, precisely targeting its audience based on relevant variables like income level, detached home ownership and distance from store locations.

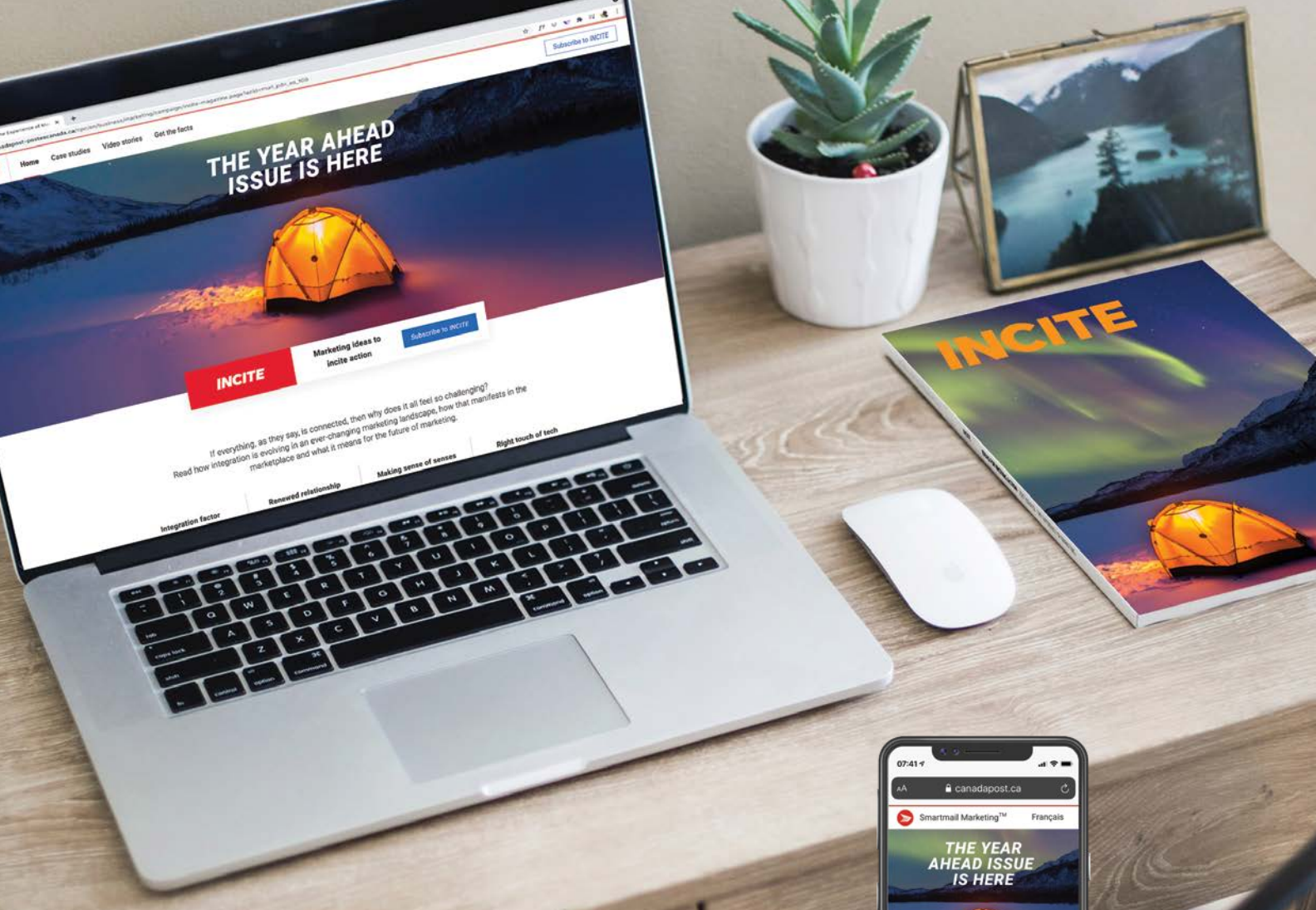
Further, leveraging its 24 brick-and-mortar stores across Canada and vibrant ecommerce site, the company showcased a consistent brand experience across all channels by playing *Moments* videos in stores and embedding them on their website.

This clever use of direct mail integrated with vivid digital storytelling, along with strong data targeting parameters, created a personal one-to-one connection with shoppers and resulted in a 7% increase in transactions and a 5% increase in sales.

Now that's quite a way to bling in any season.



COMPANY: Paris Jewellers | PRODUCT: Jewellery | COUNTRY: Canada



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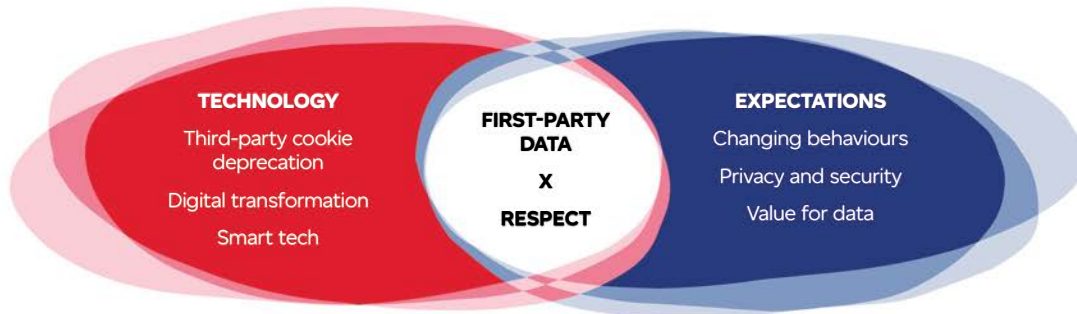


Smartmail Marketing™

FORGET LOVE, HOW ABOUT A LITTLE R-E-S-P-E-C-T?

Consumer privacy, digital transformation and third-party cookie deprecation are intersecting to create new conditions for data. With first-party data at the forefront of a customer-centric shift,

will brands take it to heart? The onus will be on brands to rebuild data dynamics for better, more human, first-party relationships.



The closer commerce comes to our intimate lives and our data, the greater the need for respect. As we emphasize first-party data (i.e., physical, digital, biological), brands and consumers alike will find a lot of potential upsides. But to capitalize on those upsides, the vocabulary of data needs to become customer-centric: privacy, security, consent, transparency, value, relevance. **That shift starts with respect.**

Third-party cookie deprecation has created a first-party data imperative. Yet advertising trust has been compromised for a number of years (e.g., ad blocking, opt-outs, skipping). Nearly three quarters (72%) of consumers would stop buying from a company or using a service because of privacy concerns, according to Salesforce. As many as 80% of customers have tried new channels, brands, stores and products since 2020, according to McKinsey. **There's a lot at stake.**

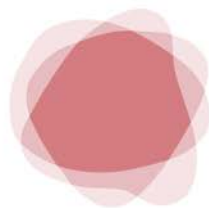
A customer-centric approach to data capture is key. And these customer-centric brands are proving that data capture is a natural consequence of how they engage with people.

Beyond transactional, they are focused on building **first-party relationships** through operations, customer experience and marketing.

FIRST-PARTY RELATIONSHIPS



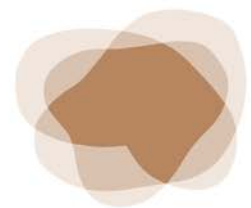
Apple is turning privacy into a competitive advantage. iOS 15 updates include a heavy play on privacy-focused features and local device processing outside the cloud. Apple's processing power and focus on privacy will allow it to expand into deeper customer relationships related to finance, identity and health.



Publishers own the first-party relationship that advertisers want access to. First-party data is allowing publishers to focus on quality ad units and engagement, with some publishers even walking away from run-of-site ads altogether. Putting their audience ahead of easy revenue, the *New Yorker* has recently removed those clickbait-y "promoted stories" from their site.



Don't like something you bought? **Sephora** tries to match you with products you might like better. Using the information collected through its highly successful Beauty Insider loyalty program and active community platform, Sephora turns returned items into opportunities to re-engage with personalized recommendations based on shopping data.



Wired called **Netflix's** plan to automatically cancel accounts after two years of non-use "radically sane." Many subscription services bank on you setting and forgetting – cashing in and making opt-outs difficult. But Netflix's new policy is saving non-users money, boosting trust and managing first-party data hygiene with a single simple act.



MAKING LOYALTY A HABIT

By Jeremy Chrystman

*The data-informed habit loop can
turn engagement into retention.*

The most valuable customers are loyal customers; they buy more, more often. With the rise of big data, we can tap into a robust data signal (customer behaviour, content engagement, consumer values) to amplify habit-forming behaviour loops that optimize the customer journey and keep people engaged in the brand and buying.

Fierce competition and the rising costs of getting consumer attention make maximizing customer retention and lifetime value vital. Third-party cookie deprecation, DTC strategies and omni-channel provide a unique opportunity to leverage data to fuel marketing flywheels as engagement-based habit loops.

A habit loop simply describes how new behaviours are gained and habits are formed. It consists of three core elements: the reward, the cue and the routine. These three elements form the approach to creating habit loops and strengthening the data inputs that inform them. It's important to understand all three as a dynamic system; however, the process of creating habit loops starts with the reward.

THE REWARD

The reward must be an irresistible offer for the habit loop to begin. While the obvious lever is to offer a discount, this tangible benefit is insufficient for sustained and maximum long-term value (or profitable growth). When the financial incentive goes away, the customers go way too.

Develop a clear understanding of the tangible and intangible benefits that are uniquely ownable by your brand and are motivating to the customer (segment). A deeper understanding of consumer motives provides the levers to transition from tangible to intangible rewards and form a stronger habit loop.

Depending on the category, 40-60% of the drivers of purchase are intangible rewards. Intangible rewards can be profiled at three levels: emotions, values and identity. Because negatives are 2.9 times more motivating drivers of behaviour than positives, a reward that addresses a negative can be the most powerful (e.g., FOMO).

“Thinking about the marketing flywheel as habit loops will help marketers make retention a key driver of renewable value.”

THE CUE

The cue is the trigger or reminder that prompts the intended behaviour (seeing people with the holiday Starbucks cup inspires you to go in and buy a coffee). Unlike the reward, the cue is informed by tangible behavioural data. It is context dependent (how the brand shows up) – time of day, ad environment, form of engagement, type of experience. Pairing the cue to the reward forms the classical conditioning necessary in the habit loop.

The cue must be consistently paired with the brand promise to form salient brand cues – ownable, associated attributes. These need to be expressed and integrated through brand identity, customer experience and marketing to be effective.

THE ROUTINE

This is the behaviour you wish to change or reinforce (e.g., spend more time on a website). With the customer journey being so dynamic, focus on what behaviours you want to reinforce and which you want to change. This starts with understanding where barriers occur within the customer journey and where personal investment can be designed into it (interventions). If I want people to spend more time on a website, I might introduce endless scrolling, enhance the brand storytelling, align site design more coherently to the brand promise or give people more control.

Segmentation is an important part of profiling behaviour within the customer journey and can help you align it to each group's motivations and what tangible and intangible benefits they value. Mapping and monitoring each segment's behavioural data patterns ensures that the habit loop is functioning to achieve its goals and that

customer experience and engagement are being used effectively.

BRINGING IT ALL TOGETHER

Optimizing the data signal of the habit loop requires different source data and application across the three stages.

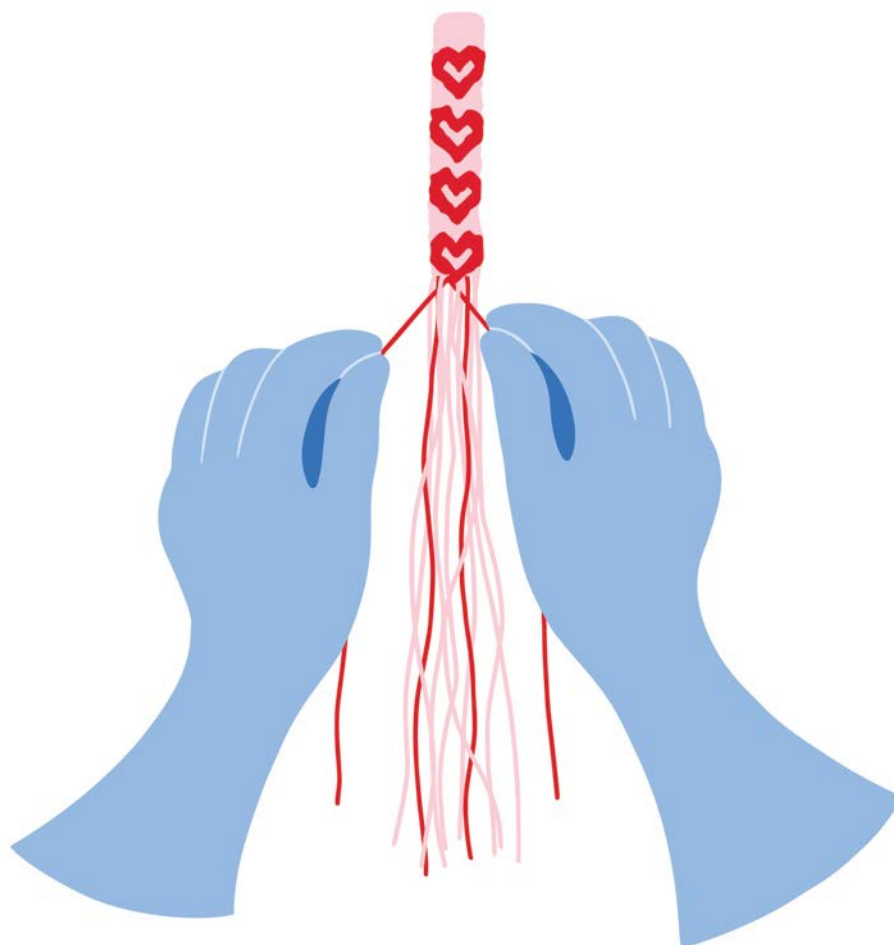
The Reward: Tangible and intangible qualitative data used to identify influential negative drivers.

The Cue: Contextual behavioural data used to align with brand promise (associated attributes).

The Routine: Customer journey data used to strengthen core associations by audience segment.

A deep understanding of your audience and respect for their data is a key enabler of customer-centric value creation that maximizes the lifetime value of more customers over a longer period of time. Thinking about the marketing flywheel as habit loops will help marketers make retention a key driver of renewable value. ■

Data scientist **Jeremy Chrystman** helps brands measure and map difficult-to-articulate intangibles that prove to be key differentiators between success and failure. A lover of human data and its potential to illuminate and transform, Jeremy is Chief Information Officer for Q.i. Value Systems.



THE TIES THAT BIND

Experts discuss how communication, collaboration and community build stronger direct relationships with customers.

With great proximity comes great responsibility.

Brands and people have been growing closer together for some time. Through direct-to-consumer ecosystems, smart devices, addressable media, and data insights and tracking, commerce has been trending toward the personal. As futurist Anne Lise Kjaer has pointed out, we are in the middle of a paradigm shift from the goods life to the good life – where what we buy reflects on our values and those of the brands we choose not only to buy, but to buy into.

Marketers were already revamping old formulas for engaging people to meet these changes – and then the world flipped in an instant, solidifying for many a change in perspective on commerce and consumption.

According to the *HumanKind Study* from Leo Burnett Canada, the mindset of today's consumers has changed in the wake of an unpredictable, unstable two-plus years.

As Tahir Ahmad, Chief Strategy Officer at Leo Burnett Canada, explained: *“This is a period of real uncertainty and concern for people and the challenges they (all of us) are facing are having a significant impact on their quality of life. If there was ever a moment in time for brands to step up and into people's lives in more impactful ways, this would be it.”*

To accomplish that, brands must focus on a way forward not solely oriented towards profit or product, but on people and how we can lead more fulfilling lives.

Part of this new one-to-one context is proximity (intimacy) and what that means to people – how you treat them, engage with them and think about “relationship” as a value exchange. Brands must align customer experience and marketing for one-to-one commerce – the whole brand experience matters to how you engage individually. Things like community, collaboration, equity, listening, respect, privacy and empowerment all need to figure into the new marketing paradigm.

In this article, we have compiled the best quotes addressing this changing landscape from Canadian retailers and experts previously featured in issues of *Ecommerce Insider* and *INCITE* magazine.

WHAT ARE THE NEW ROLES BRANDS ARE EXPECTED TO PLAY IN PEOPLE'S LIVES?

“A declining trust in institutions like the state and the church doesn't quell our fundamentally human desire for affiliation, purpose and meaning. The need to belong to a community that aligns to our values and beliefs lies so deep in our DNA that no amount of social or political disaffection can drum it out of us. We must believe in something.”

Doug Stephens
Founder, Retail Prophet

“We want our customers to always see themselves reflected in our brand. Everyone needs that connectedness, that support, that love. Our vice is for everyone.”

Ashley Freeborn
CEO, Smash + Tess



Many brands have made efforts in recent years to have their marketing help consumers face these new anxieties – or at least they think they have. According to the *HumanKind Study*, more than three quarters of Canadians don't believe brands understand their problems. That's an eye-opening stat, one that represents a tremendous opportunity for brands to continue acting and investing in providing solutions to the problems that Canadians care about.

BUT HOW DO BRANDS UNDERSTAND THOSE NEEDS BETTER?

“Businesses need to stay flexible and listen to their customers. Get that real-time feedback by using your data and analytics. A lot of businesses either don't have a data infrastructure or have a lot of data and aren't using it. But that's the best way to make sure you are adaptable. You can see how consumer behaviour is changing: how

they are shopping, what they are buying, how they are consuming all this information. Their patterns are changing, so monitoring your data is the fastest way to get feedback and know how to act.”

Elana Chan
Global Lead, SMB Partnerships
Marketing at Google

“When we market, we make sure our story is being told loud and proud. When someone is new to our community, they get our story told to them, whether it be from our website, from our social media platforms or from the insight we give them after that initial connection they make with us.”

Jenn Harper
Founder and CEO,
Cheekbone Beauty Cosmetics

“People want to know who is behind a brand. What they stand for. What their values are. How they show up when it comes to their community. People want to be proud of their connection with a brand. That is such a privilege for us – but it is also a huge responsibility.”

Ashley Freeborn
CEO, Smash + Tess



Beyond the environmental and personal, Canadians expressed a range of cultural concerns, many stemming from the consequences of an isolating pandemic era. Despite the well-trodden mantra that “we're all in this together,” nearly half of Canadians (47%) said they believe their communities are more divided than ever. The concerns extend to the future, with nearly 70% saying they fear we haven't learned anything from the pandemic.

Those kinds of numbers put tremendous pressure on brands not only to provide a values base for customers, but to clearly articulate and act on those values. These

numbers indicate great responsibility in proximity, but also great opportunity in getting personal.

HOW DO A BRAND'S VALUES SHAPE RELATIONSHIPS WITH CUSTOMERS?

"A 2018 global study by Edelman of 8,000 consumers across eight markets suggests that almost two thirds of us make buying decisions based on a brand's position on social or political issues. More importantly, 53% of us believe that brands can do more to solve social problems than governments."

"Let that sink in a moment. A majority of us now place more faith in brands to change the world than traditional social institutions."

"Of course, such opportunities are not without risk. Values are called values because there's a price paid by those courageous enough to possess them. But in a crowded and competitive marketplace, I would argue that the price of standing for nothing is far dearer."

Doug Stephens
Founder, Retail Prophet

"When we tell the story of our journey to customers, we try to be honest, transparent and authentic in why we're doing it, how we're doing it, where we succeed and where we fall short. We need them on this journey with us."

Jenn Harper
Founder and CEO,
Cheekbone Beauty Cosmetics

"You have to make sure that every word you say you can stand behind. Every word. Sometimes you make mistakes, but people will understand. It's about transparency, accountability and consistency. We do our best, and if we fall short, then we own that and try to do better. That's all you can do."

Ashley Freeborn
CEO, Smash + Tess

"More than ever, people are looking to shop their values. They are looking for meaning in what they're buying. Small-to-medium-sized-business owners have such a wonderful story to tell. They have probably

weathered some ups and downs on their journey. Celebrate that resilience.... People are looking for more than just a widget from their small businesses. That's a great opportunity for storytelling."

Elana Chan
Global Lead, SMB Partnerships
Marketing at Google



This is a period of real uncertainty and concern for people, and the challenges they face are having a significant impact on quality of life. If there was ever a moment in time for brands to step up and into people's lives in more impactful ways, the HumanKind Study stresses that this would be it.

WHERE DOES COMMUNITY BUILDING FIT IN, AND HOW DO YOU COALESCE ONE AROUND YOUR BRAND?

"Brands find themselves facing a unique and historic opportunity. The opportunity to move beyond running clubs and yoga classes and become global 'brand-nations,' filling the void in values, in meaning, in belonging that has been left by government and religion and recruiting millions of followers in the process. Followers who, powered by their faith and sense of community, can raise their voices in unison to become the most powerful media channel a brand can harness."

Doug Stephens
Founder, Retail Prophet

"Collaboration is queen. Working with influencers in an organic way is always our go-to. We always want to be creative women creating cool stuff together, making an

impact, doing it in a way that feels good for both of us. A lot of entrepreneurs just want to get involved with as many influencers as possible. But the reality is, if you can form deep bonds, they become friends, and out of that comes great clothes and a story that resonates with people."

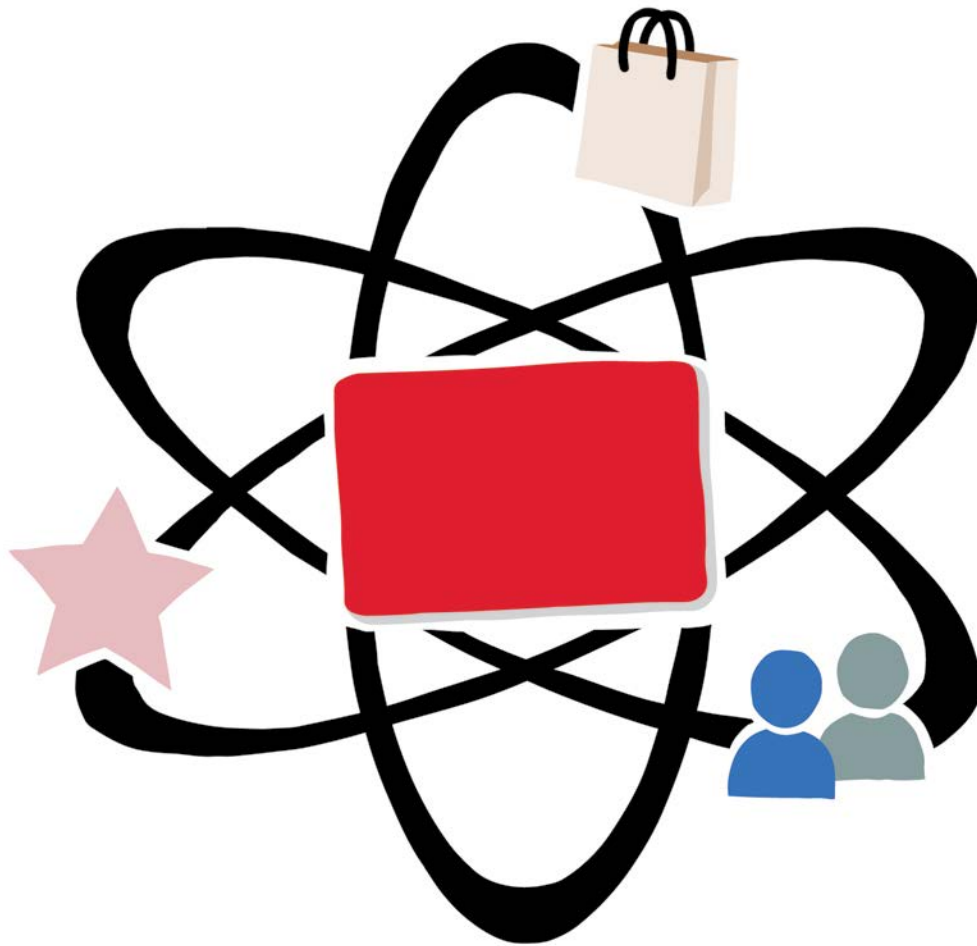
Ashley Freeborn
CEO, Smash + Tess

"Our best influencers are our genuine customers who are actually purchasing our products and sharing them because they changed their life. When these women say, 'These shoes have changed my life. I love them so much,' that speaks to other customers because they are sharing it because they love them, because they worked for them, made them feel good, and not only because they are getting paid to talk about the shoes. I am a positive, optimistic person, and when you show your personality, you tend to attract like-minded people. When I do that, they feel comfortable putting themselves out there."

Dr. Liza Egbogah
Founder and Owner, dr LIZA Shoes

"We want our community to be our advocates. We're fortunate to have a loving, supportive community who, when we put up a task, they're out there ready to do it. They're truly advocates in the sense that they love our brand. We're always thinking of ways to do more for them."

Jenn Harper
Founder and CEO,
Cheekbone Beauty Cosmetics



CHANGING OF THE CARD

By Richard Ross

*Gift cards give people what they want
and not-for-profits what they need.*

Fundraising is the lifeblood of not-for-profit campaigns and events. Incentive and reward gifting helps them meet ambitious fundraising milestones. Their use has proven to be an integral and extremely effective way for these organizations to increase donations and boost year-over-year commitment rates.

But how these programs work (and what people expect from them and how they engage with them) has changed dramatically over the last few years, especially during the pandemic.

CHANGING TIMES FOR INCENTIVE FUNDRAISING

Like many organizations during COVID-19, not-for-profits have been forced to rethink how they capture attention, data and engage with their audience. For incentive fulfilment, this involves offering more personalized and customized rewards to improve audience relevance.

Packing and shipping swag and freebies or handing out physical gift cards became increasingly challenging during the pandemic, when fulfillment teams were working from home. With the digitization of incentive rewards, that's all changed. These days, large-scale digital gift card campaigns have become an attractive option for not-for-profits looking to increase personalization and overall engagement in reward programs that integrate with either digital or physical media.

Immediacy is what we've come to expect from one-to-one brand interactions. When it comes to rewards fulfillment, real-time rewards help improve the number of donations, the value of those donations as well as the potential for repeat giving. Digital gift cards also let not-for-profit organizations instantly reward participants for specific behaviours or goals, cutting down on the time and cost of physical swag and gift cards.

REWARDING DONORS WITH CHOICE

Personalization is perhaps the most significant advantage digital gift cards provide over one-size-fits-all incentives of the past. With digital gift cards, organizations no longer have to buy gift cards from single

merchants in bulk and hope they're to the taste of every participant. Participants can choose which merchant they'd like to get their gift card from, which means they're more likely to actually redeem it. It also means non-profit marketing budgets aren't wasted on physical gift cards or other incentives that aren't relevant or useful.

“Gift cards give people what they want and not-for-profits what they need.”

Also, a focus on offering personalized incentives creates a better experience for participants but critically, it also helps organizations gain valuable insights into their audience's preferences and intent.

One of the biggest challenges these organizations face in terms of rewards fulfillment is the burden of tracking volume and whether rewards are being used or redeemed.

A NEW ERA OF FULFILLMENT ANALYTICS

Digital incentive platforms enable organizers to access robust and comprehensive data through analytics dashboards. Reports can show which merchants are the most popular, while heat maps can illustrate location-based gift card redemption. They also provide real-time information about which gift cards have actually been redeemed. Nothing is lost in the ether.

These analytics provide non-profits with invaluable data about redemption behaviour, which in turn helps to inform long-term fulfillment strategies.

THE JOY OF GIFTING BACK

Perhaps where digital gift cards have had the most positive impact on non-profit fulfillment is the opportunity they provide to “gift back.” Many digital gift card platforms enable participants to take the value of the gift card they've earned and donate it back to the charity.

New technology is also enabling partial gift-backs, where participants can donate a

portion of their reward to the charity and redeem the remaining amount as a gift card. The ability for participants to choose how they redeem their rewards provides yet another opportunity for non-profits to provide reward customization that fits their audience's preferences and personal values.

This feature has been incredibly beneficial for not-for-profit organizations, many of whom have seen thousands of dollars of incentive reward budgets gifted back to them.

Digital incentives will never completely replace physical rewards – nor should they. There is a place for both in omni-channel marketing and fundraising initiatives. But the digital offering gives organizations a new way to add gifting personalization to their digital and physical marketing activities. It also works to encourage non-profit engagement and commitment while making the fulfillment process more efficient and the analytics more accessible. ■



Richard Ross is the business development manager at Gratiflow, an online platform that helps businesses manage, refine and report on large-scale gift card and e-gift card campaigns. Gratiflow is a product of Directworx, a Canada Post Expert Partner. www.gratiflow.com

THE COMMERCE OF MEDIA

From retail media networks and smart devices to social media and direct mail, media is getting more intimate. This new proximity to people (in both space and time) is closing transaction gaps and

creating better customer engagement that not only converts but captivates. Here's a quick look at some of the newer ways media and commerce are mingling.



SOCIAL MEDIA

Social media still dominates the media and commerce merger. Beyond the platforms, links and tech moving us closer to the buy button, it's the people on the platforms who will drive the one-to-one nature of social commerce. For instance, micro-influencers already convert well based on a mix of authenticity and affordability. Company employees, brand communities and fans will also act as micro-influencers (particularly in retail), becoming ambassadors, content creators and peer-to-peer marketing collaborators.



SUBSCRIPTION

A subscription model's success is directly tied to the value created in the user's eyes – connecting people to content (blogs, newsletters and podcasts), products and services. Subscriptions support acquisition and retention by building an audience, capturing data and creating sustainable commitment models for brands and benefits related to access, experience, convenience, connection or perks for consumers. Similarly, membership models customize value and build community.



DIRECT MESSAGE

Embedded in social commerce, direct message selling has found uptake among local small businesses, independent maker brands and the second-hand marketplace. It's also working hard for professional services and wellness categories. Direct message and chatbots are making customer service more responsive and communication timelier. Chatbots are being deployed to actively respond and nurture B2B content interaction and lead capture (like downloads).



SMART DEVICES

Smart devices like TVs, speakers and mobile phones are integrating with search, lifestyle management and shopping in evolving ways. With addressability, QR codes, direct message and audio hashtags, new ways to reach people, deliver content and offers, and manage customer experience are connected intimately to people's daily in-home and on-the-go moments.



DIRECT MAIL

Direct mail sits at the crossroads of marketing, customer experience and shopping. It's a dynamic channel proving to have full-funnel marketing game. Through data analysis and integration, direct mail targeting is as scalable as it is precise and as programmatically responsive as it is tangible over time. QR codes, personal URLs or voice-activated CTAs can add low-friction digital integrations.



LIVE-STREAMING

Reminiscent of infomercials, live-streaming commerce combines entertainment, editorial or demonstration with instant purchasing. Popularized in China, live-streaming combines instant purchasing of a featured product with audience participation through a chat function or reaction buttons. Done well, it can do as much for brand appeal, word of mouth and traffic as it does for sales.



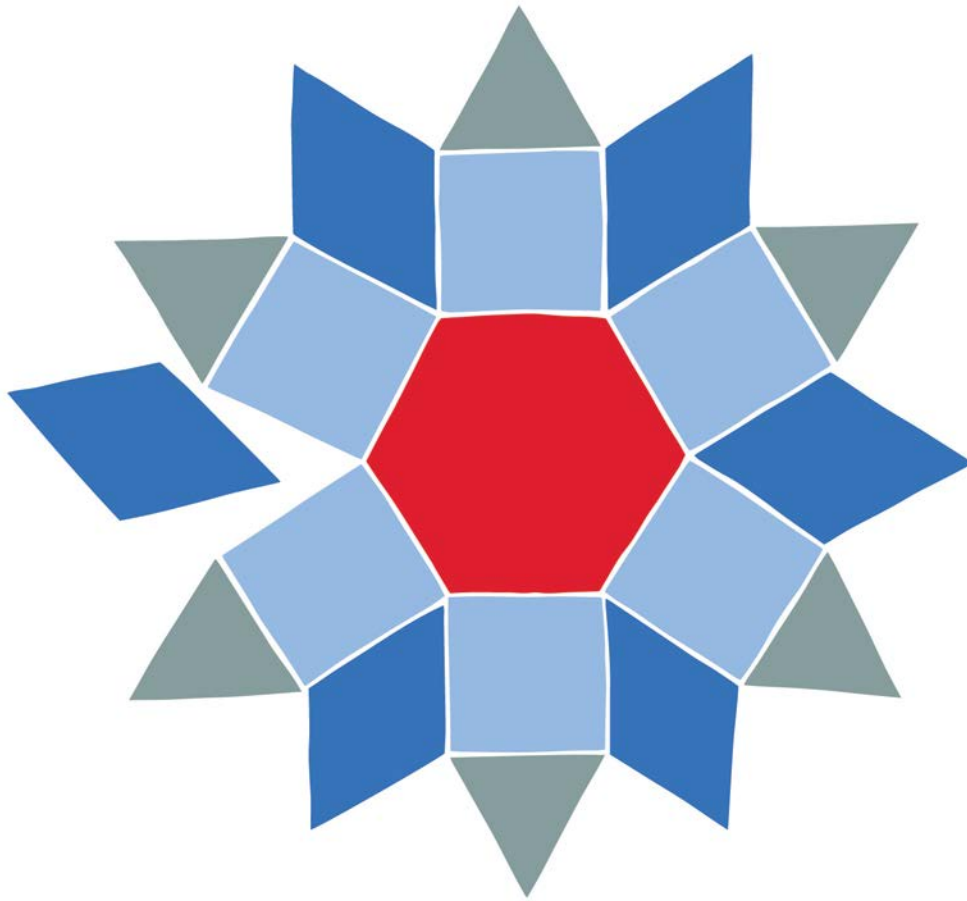
EMAIL

Email isn't going anywhere, but it's not the direct communication catch-all it used to be. Email became one of the first shoppable formats integrating with websites, social media and apps. For marketers, story and interaction will play heavily in email design to enable discovery, self-service and post-purchase experience. On the back end, authentication, data safety and identity resolution will be a priority.



RETAIL MEDIA NETWORKS

Retail media networks are ad platforms set up by retailers (like Walmart) that allow brands to buy space across the retailer's in-store screens, websites and/or apps. Fuelled by the retailer's consumer data, these networks get brands closer to the buying occasion. According to Bain & Company, retail media is expected to grow upward of fivefold over the next five years.



DIRECT, NATURALLY

A natural fit in the evolving 1:1 commerce landscape, direct mail connects online and offline for more omni-channel opportunities.

Key Takeaways

Going direct is an omni-channel proposition.

Right place, right time is stronger than ever for direct mail.

Direct mail creates additional value for brands.

Contending with growth challenges in the face of rising digital costs, data privacy and third-party cookie unknowns, more brands are seeking out direct solutions with an eye on the first-party data advantage. And, as the DTC competitive edge fades in a digitally mature landscape, companies are focused on where they can tap into additional value.

That additional value will come from building omni-channel, first-party relationships, which cannot be made through the traditional digital menu of e-commerce, social and email alone. Direct channels are diversifying, offering more opportunities than ever to create meaningful connections. Brands will need to follow suit and diversify their approach to direct.

Marketers know there's a lot of value in direct. But most conversations around one-to-one (marketing, CX or commerce) are focused on digital. There are many ways to go direct. It's not a digital-only proposition – especially in an omni-channel value equation.

DIVERSIFYING WITH DIRECT

Growth ceilings become an issue for all brands at some point, where what you are currently doing is no longer achieving what it needs to – it's maxed out. When growth taps out in existing investments, it's time to look to integration and diversification for additional value. The 2021 Association of National Advertisers (ANA) *Response Rate Report* found that all direct media are set to see increases in use in the next year, including direct mail, which saw a 5% lift in volume in 2021 (U.S.).

Brands looking for the direct advantage, including DTC ones, are discovering the natural opportunities in direct mail as digital-only strategies become less effective (more costly, less reliable, less impactful) and the value of putting something physically in people's hands increases.

A NATURAL FIT

How does direct mail fit into the one-to-one commerce equation? Naturally, of course. The channel knows a few things about what it takes to go direct. That's because direct mail has been at the

“A natural fit in the evolving one-to-one commerce landscape, direct mail connects online and offline for more omni-channel opportunities.”

forefront of the one-to-one game for a long time. It has set the groundwork for performance marketing, addressability, geotargeting, look-alike audiences, A/B testing, data-driven, the use of behavioural economics in marketing and more.

It's not just its one-to-one marketing prowess that wins the day; it's its capability to be used like an owned channel in the brand ecosystem. Think of direct mail as a direct-to-consumer channel that offers bespoke, connected value to shopping, marketing personalization and the customer experience in a physical format.

A natural fit in the evolving one-to-one commerce landscape, direct mail connects online and offline for more omni-channel opportunities.

OMNI-CHANNEL BRIDGE

In “How Direct-to-Consumer Brands Can Continue to Grow,” *Harvard Business Review* points out that when it comes to deepening customer relationships and pursuing growth, omni-channel is about value addition, not cost reduction. Channel and customer experience diversification are integral to forming an omni-channel direct approach. It's also what 85% of consumers prefer – they expect and appreciate a blend of digital and physical engagements from brands.

Direct mail has always been data-driven, but now it can be plugged into digital channels, content and other media in various ways. It has come online to provide an even greater range of utility within the customer journey, bringing our online and offline realities closer together.

It's a natural fit in the evolving one-to-one commerce landscape, particularly when we consider the role of the home in the customer journey (in my home, at my doorstep, near my home). If COVID-19 accelerated digital transformation, it equally lit the home and its role in the customer journey.

The home context is becoming an increasingly stable and essential place to reach and influence people within the customer journey. Direct mail provides opportunities to connect online with offline to deliver more value and create omni-channel models that give brands greater ownership over the customer experience and more tools to engage people in first-party relationships.

Although numbers vary across consumer studies, we've always known that the home is an influential place to reach and engage people. A 2019 commissioned study by PebblePost found that 88% of key purchase decisions involve the home – 82%, 91% and 94% respectively for retail, financial services and automotive. The study also verified that direct mail a) drives consideration and plays a central role in the path to purchase, b) speeds up conversion and c) attracts highly engaged shoppers who spend, research and evangelize more.

These findings suggest that direct mail media can create additional value for any brand looking to add or diversify direct channels in their marketing mix.

OMNI-CHANNEL VALUE

Marketing has always ranked right message, right people, right time as a priority, no matter the medium. According to the media research company Ebiquity, direct mail excels at this. As the home becomes more central to the customer journey, direct mail's ability to deliver on this has only strengthened.

Postal code data complements first-party data to create more sophisticated targeting profiles and more relevant and personalized



messaging and content. This data also provides a privacy-forward way to target people and integrate second- and third-party data for better identity resolution and look-alike profiles. Combining data and technology makes direct mail more trackable, responsive and connected to the customer journey. The channel can serve dynamic offers and content via programmatic and variable printing. And through tech tools, the medium can connect to digital content, events, physical retail formats and customer service.

Brands are struggling to get attention and meaningfully connect. According to Modern Retail, “More brands are turning to direct mail as a way to diversify from other advertising channels. Polly Wong, president of marketing firm Belardi Wong, which specializes in direct mail, said there is more appetite for the medium than ever before.” Neuroscience research has found that direct mail, as a tangible medium, feels more personal and creates a stronger emotional connection than digital marketing. The intimacy of the channel and the ability to appeal to the senses make it easier to captivate an audience. Custom

“There are many ways to go direct. It’s not a digital-only proposition.”

formats and creative versatility create space to tell the whole brand story in ways that are different than digital. For instance, catalogues engage people more deeply in the brand and product/service exploration and evaluation, which hastens conversion.

Direct mail leads direct response media ROI, with an index 10% higher than SMS and 19% higher than email, according to the 2021 ANA Response Rate Report. It’s valuable to note that direct mail is the only physical channel in the direct lineup, providing a solid complement to direct digital media and communications channels. A report by SeQuel Response, a direct marketing agency, highlighted the following example of how direct mail activates additional value: “Looking to grow, a home service brand was eager to

establish a significant DTC presence in the direct mail channel. The brand activated its mailing list to target prospects via email and Facebook before, during, and after the direct mail in-home window to enhance offline campaign performance further. The multi-channel strategy lifted sales rates 120% and decreased CPAs by 43%.”



DIRECT MAIL CREATES ADDITIONAL OMNI-CHANNEL VALUE

McKinsey has distilled three strategies (existing on a continuum) of how brands pursue omni-channel DTC: *commerce*, *personalization*

and *ecosystem*. Direct mail has a natural role in creating additional value within each of these scenarios. Here’s a look at how.

COMMERCE

(cross-channel shopping experience – online/offline)

PERSONALIZATION

(tailored, targeted and relevant cross-channel engagement)

ECOSYSTEM

(rich cross-channel integrated with consumer needs & lifestyle)

Discover/ consider

Elevate product and offers (better attention, perceptions of quality), enhance product exploration and evaluation.

Increase messaging relevance and timing with postal code data and programmatic targeting.

Provide dynamic offers based on integrated first-party and postal code data.

Purchase/ enjoy

Create integrated shopping shortcuts – connecting marketing to purchase.

Have omni-channel content support purchase and post-purchase enjoyment.

Enhance customer experience throughout the entire customer journey.

Engage/ advocate

Support loyalty programs with deeper engagement, incentives and social sharing.

Support post-purchase engagement with relevant content based on preference and behavioural data outside of the transaction.

Support UGC, community access and new experiences in an intimate, tech-enabled format.

Adapted from “Omnichannel: The path to value,” McKinsey, April 30, 2021.

INDUSTRY FIT

Categories and brands will use different playbooks to integrate one-to-one into their marketing-sales ecosystem. See how various industries can use direct mail media to reduce digital dependency and risk, improve response rates and create an omni-channel experience that connects, captivates and converts.

CPG

A direct subscription to every product and brand on a weekly shopping list is probably impractical. However, to stay competitive, consumer packaged goods (CPGs) are emulating DTC strategies through e-commerce light platforms, social commerce and “phygital” marketing and tools (QR, NFC tags) that enable data capture, personalized experience and consistent interaction. Direct mail can speed up conversion and influence people in their homes, where most CPG brands are used and experienced. The channel also binds well to social commerce tactics and creates tangible shopability (format, content and digital integration). And direct mail uniquely offers stable second- and third-party data opportunities that improve audience reach and personalization.

Retail

Digital-only DTC brands are adapting to the omni-channel experience people expect today. For instance, Altitude Sports responded to the imperative of diversifying their direct relationship beyond digital to provide first-hand experience with their brand in place of physical stores using direct mail. DTC brands mix social media, events, pop-up stores and physical media to integrate brand experience with shopping

engagement, retarget intent and increase personalization. Direct mail allows people to browse on their own time, connecting them through personalized content and offers to contactless buying online. And direct mail is so customizable that it acts like an owned channel that is responsive and trackable.

Financial

Financial brands have built highly transactional digital ecosystems that rely on third-party identifiers for targeting efficiency and personalization. Due to digital regulatory risk, escalating costs and walled-garden dependencies, financial brands need to diversify how they capture audience intent. Integrating first-party data with postal code (second- and third-party data) can improve the reach and targeting of ideal audiences through relevant insights, scalable precision and programmatic. Direct mail can make it easier to capture zero-party data and is proven to build trust. Since most purchase decisions are made in the home, direct mail provides “right place, right time” bench strength when combined with digital behavioural data.

Automotive

Automotive has been slower to adapt to omni-channel communications and customer experience opportunities. Auto brands can improve their omni-channel experience in a way that puts the customer in the driver’s seat. Both tangibly and responsively, integrating mobile and direct mail connects the brand experience to consideration and purchase intent. Direct mail can create more consistent interaction with current customers and provide better after-market support when combined with

direct messages or QR codes. With little to distinguish most automotive brands, direct mail offers a custom format to captivate shoppers and bring the brand to life. Postal code data also helps dealerships connect digital intent to geolocated opportunities.

Not-for-profit

How people commit to charities is changing. Due to the pandemic, online donations are here to stay. However, direct mail also proved a stable companion. NFPs are learning to get more creative at integrating online and offline in response to changing consumer expectations and heightened competition for dollars. Direct mail is easy to connect to online and mobile donating while creating deeper engagement in the cause and its impact. Content and storytelling in direct mail create emotional giving moments (a drip approach instead of the annual appeal). Postal code data can help segment and target potential donors with less wasted money.

QSR

Quick service restaurants (QSRs) need to stay top of mind and keep the traffic flowing. The category has always been marketing-tech-forward. The ability to use geofencing to push time-of-day offers and dynamic personalization and to surprise and delight helps QSRs create consistent promotional interaction. Direct mail can integrate with OOH billboards, SMS, brand apps and more to help QSRs drive share of wallet and increase brand engagement. Direct mail aids in collecting preference data and onboarding people to apps and loyalty programs. And the channel expands the time horizons for impact, improving recency without increasing frequency. ■

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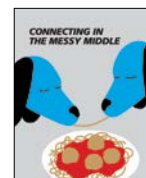
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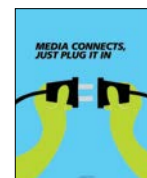
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ONE-TO-ONE x DIRECT MAIL DATAGRAM

HAVE AN IMPACT AT HOME

Nearly **9 in 10** purchase decisions are discussed or made at home. Direct mail plays an important role in:



Producing stronger emotional connections



Creating more confident source memory



Generating desirability for products and services



Speeding up purchase time frame

Source: *Home is at the Heart of Commerce Marketing*, PebblePost, 2019; *The Shopping Shift*, PebblePost and Alter Agents, 2020



SPEAK DIRECTLY TO CANADIANS

88% of Canadians read the direct mail they receive. **8 in 10** millennials consider themselves attentive to direct mail, while **1/2** ignore digital ads.

Source: *Spring Omnibus Report*, Canada Post, 2021; *The Shopping Shift*, PebblePost and Alter Agents, 2020



MAKE PERSONAL CONNECTIONS

3/4 of consumers say direct mail is more personal than online interactions.

Source: *31 Essential Direct Mail Marketing Automation Stats You Need to Know*, Inkit, 2018



SPEND ACROSS ALL MEDIA

Direct brands grow by leveraging all media, spending **41%** of their budget on offline media. No wonder nearly **2/3** of DTC brands plan to include direct mail in their marketing mix.

Source: *Direct Brands: Media & Customer Acquisition*, IAB, 2019-20



DRIVE ACROSS ALL CHANNELS

Combining digital and direct mail increased website visits for **68%** of marketers.

Source: *The Future of Direct Mail Is Here and It's Dynamic*, USPS, 2019



INFLUENCE PURCHASES

60% of shoppers receiving direct mail said it influenced their purchase decision. Recipients also spent **28%** more than people who didn't receive direct mail.

Source: *The Shopping Shift*, Pebblepost and Alter Agents, 2020; *Household Diary Study*, USPS, 2017



CONTINUE ENGAGEMENT

3/4 of direct mail shoppers talked about the product after purchasing, and **1/4** liked or followed the brand on social media.

Source: *The Shopping Shift*, Pebblepost and Alter Agents, 2020; *Household Diary Study*, USPS, 2017



IN THE NEXT ISSUE

IDENTITY

- › Understand the implications of identity for brands, marketing and people.
- › Explore the metaverse and participatory consumption.
- › Find connections between identity and the home.
- › Use identity to rethink data strategy.
- › Learn how identity and direct mail work together.

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– Judy Morfitt, Marketing Lead
Canadian Marketing Association

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