

***INCITE***

# INCITE

## ABOUT THE COVER

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The Pantone Color Institute® applied the science of colour to create a vivid, neon, coral orange for United Way. Drawing attention to issues that affect Canadians in every community, this proprietary colour, featured on our cover, is the focus of United Way's integrated #UNIGNORABLE campaign.

You can read about the non-profit's bold use of colour on page 15 and find out how they incite action by delivering a compelling and effective brand message via integrated campaigns that include direct mail.

This cover was printed with a double hit of Unignorable on Supreme Silk 100lb cover weight stock at a resolution of 350-line screen on a Heidelberg 640 UVCD Press. The *INCITE* logo was enhanced with an opaque white foil and register emboss to make it pop from the fully-saturated, coloured background.

# THE MEASURING WHAT MATTERS ISSUE

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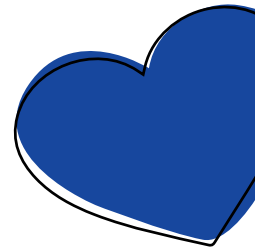
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# IDEAS FOR INCITING ACTION WITH MEASUREMENT



Putting the MEASURING WHAT MATTERS issue together has been a bit like opening Pandora's box. Who knew an exploration into measurement – basically math – could tell us so much about the human condition of our industry? There was a lot to unpack and the implications vast but, to borrow from G.I. Joe, "Knowing is half the battle."

In brief, this is what I learned.

The Amazon Prime effect of right here, right now is making marketing short-sighted. Provocative consultant and professor of marketing Mark Ritson would say we are picking as much fruit off the branches as we can, as quickly as possible, at any cost, while not watering the tree. Essentially, we're focusing on efficiency at the expense of effectiveness.

We are trying to gamify response in real time. Response isn't just about the physical click. It's also about the mental click. A focus on brand response brings these two types of clicks together in real time.

In an increasingly direct-to-consumer marketplace, a brand is more important than ever. However, we aren't investing in our brands, and that's creating gaps – particularly where content is concerned. Over time, you'll end up spending more money at a lower margin to generate sales.

Effectiveness is harder to define and measure, so it gets shortchanged in our key performance indicators. We're judging success on what's easy to measure. I'll let you do the math on that one.

We measure too many metrics. Doing this turns measurement into counting. A better use of time would be to focus on creating a measurement value chain to align all stakeholders. Data analytics is hard. Marketing is hard. But burying ourselves in spreadsheets won't make marketing easier.

Release yourselves!

If there's one thing you take away from this issue, it should be to concentrate on effectiveness first and efficiency second. Effectiveness will take you farther, both in the short term and the long term. Effectiveness will bring measurement into focus and allow you to get back to the work of marketing. This two-step approach encourages more people to pick your brand at a higher price over the long term.

Let's emerge from the fog of numbers to measure what matters, to generate a response for your brand. Everything else is just a distraction.

Esmé Rottschäfer

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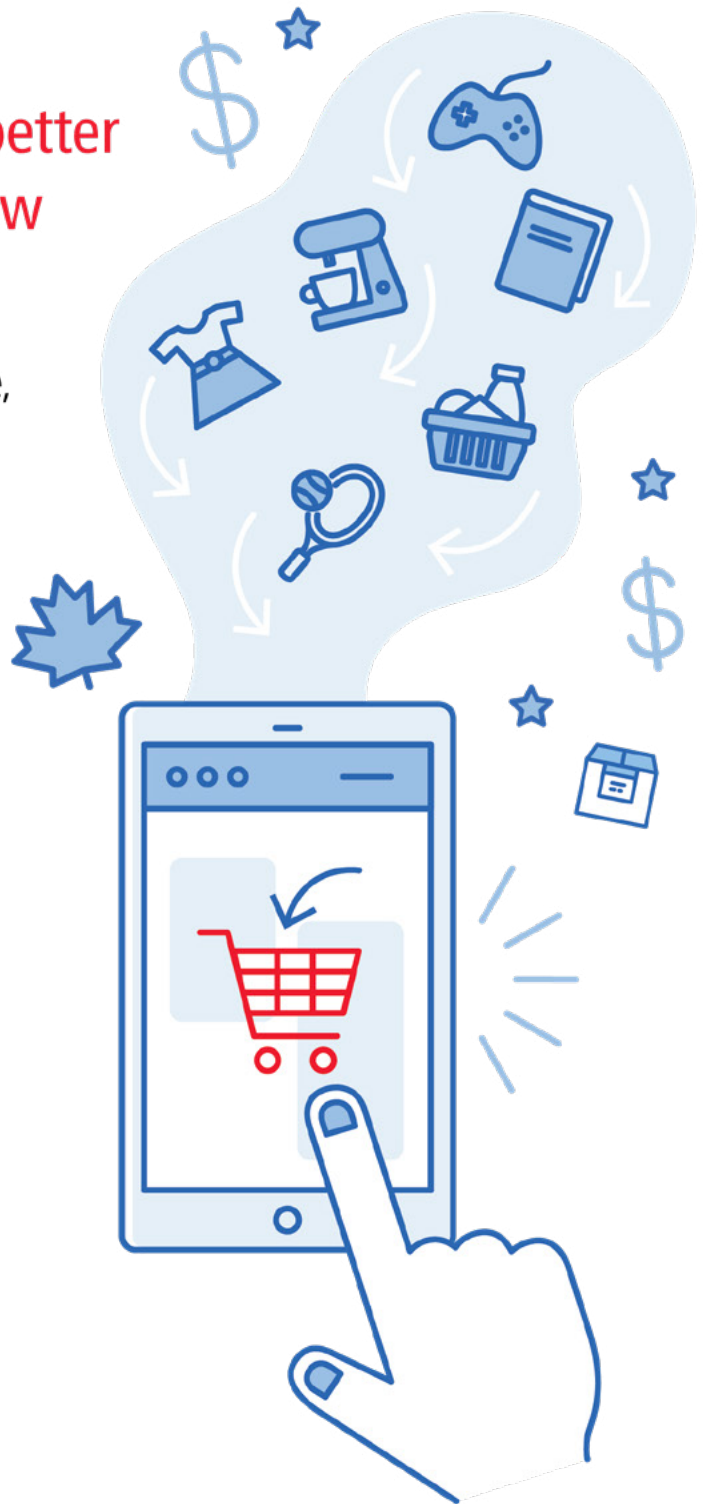
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# **CREATIVITY ISN'T KILLED BY PREDICTABILITY IT BECOMES IT**

**Ron Tite, Founder, Church+State**

A facilitator stands at the front of the room before a group of melancholy middle managers who have signed up for training because, among other things, it shows that they're committed to personal development. After the muffins have been grabbed, the coffee has been poured and the whirring projector has been focused, the facilitator steps forward, leans into the room and presents their opening query, "So... What IS creativity?"

As a founder of a creative agency, a former executive creative director and the co-author of a book that is literally called *Everyone's an Artist*, any attempt to provide a singular definition for creativity gives me a rash. To a junior art director, creativity might mean the desire to create a reaction. To a global

CMO, creativity might mean the desire to create disruption. To an interpretive dancer struggling to pay rent, creativity might mean the desire to fulfill a life's purpose. There are enough TED talks and Maya Angelou-inspired Instagram quotes on creativity without me trotting out one more.

But I'll tell you what creativity isn't: Predictable.

## **OIL, MEET WATER**

Creativity is based in original thought and expression. Creativity defies logic, presents unique perspectives and results in people thinking, "Wow. That is so unexpected."

Predictability, on the other hand, channels logic, presents repurposed perspectives and results in people thinking, "Yup. Just as I expected."

Let's face it. Creativity and predictability can't work together. They could never coexist. And the only place they should be seen side-by-side is in a branded content YouTube renewal of the sitcom *The Odd Couple*.

Clients routinely brief their agencies with, "Show me something that has never been done before. And be sure to include some benchmarks on performance." Sorry, but that's not how logic works. If something is so creative that it has never been thought of, forecasting reaction is not only impossible, it's irresponsible.

But I get it.

Yes, our brands need to have souls so we can elevate the conversation, put purpose before product and connect in meaningful and compelling ways. We need original thinking and never-before-seen ideas that make people stop, look and listen.

But you can't swing for the fences without being comfortable knowing that you might strike out. And striking out just isn't something most organizations are comfortable with. While CEOs can deliver the proverbial "we need to embrace failure" speech, there is nothing about corporate culture that embraces failure. You're not encouraged to fail. You're not compensated to fail. You're paid to make forecasts, then meet [or slightly exceed] them.

#### **NO RISK, NO REWARD. NO PROBLEM**

In a recent discussion with Seth Godin, I asked him why marketers choose the safe and predictable route by chasing certain data-centric tactics and the benchmarked metrics they provide. His response: "I don't think people are lazy as much as they are afraid."

I agree with him. To use his words, predictability gets you "off the hook." No risk means no surprises. No surprises means no failures. No failures means you get to continue feeding your family.

But wait, there's more.

#### **BE A ROCK**

When Chris Rock performs a comedy special, you may laugh at the hilarity and bow down in front of his brilliance. But Chris Rock, [or any other professional comedian worth discussing] is more about predictability than creativity. Behind the hour we view, there are hundreds of hours on the road perfecting the material so that by the time he records it, every line, every beat, every expression and every step is delivered in the best way possible. Creativity may be at the heart of it, but the creativity becomes predictable.

***"Most start-ups are just building concept cars. Most established organizations are just assembly lines. The best type of organization is the one that can have a healthy balance of the two."***

Creativity isn't killed by predictability. It becomes it.

Every artist knows you make more money from the print than you do from the original. It's just that the most successful prints come from the most brilliant and unique originals.

But how do you do it? How do you use unbridled creativity to lead you to predictable levels of elevated performance? Do you use

one of those stock shots of the two sides of the brain? Do you train your creatives to use a spreadsheet? Do you trade in the denim for khakis?

No. You get a Flint.

#### **TURN YOUR WHITE COLLAR INTO A BLUE COLLAR**

I grew up in Oshawa, Ontario, so my natural inclination is to use the "Shwa" to reference General Motors, but given the state of automobile manufacturing in the city that once "moto-vated Canada," Flint, Michigan, is probably more appropriate.

See, GM and other car manufacturers can teach us a lot about how creativity can lead to predictability. Marketers need to embrace both.

#### **1. THE ASSEMBLY LINE**

The assembly line is where the car folks make their money. Every single ounce of inefficiency has been removed. Everyone on the team has a role that is very clearly defined. Whatever they do, they do it over and over and over. It's not only efficient, it's repeatable behaviour. The result is that quality is maintained, costs are contained and the margin is consistent. Every. Single. Time.

Interestingly, there's no collaboration on the assembly line. Nobody halts production to blue sky or spit ball some crazy idea. Everyone does their job, they pass it off to the next person and the line continues with peak efficiency. They have benchmarks for production, forecasts on costs, expected rates of return, clear ROI and a commitment to quality control.

While they're doing that, many marketers and their agency partners are arguing over the colour of the napkin in the background of a photo of a bowl of soup, drawing out the process by over-analyzing details that have little significance to the overall results.

If it's assembly line, it's assembly line. Kill it and bill it. Deliver it in the most efficient way possible and move on so you can save time, money and brain power for the stuff that will really rock your world.



## 2. THE CONCEPT CAR

When automotive manufacturers want to explore new ideas to topple their established ways of thinking, they create a concept car. The concept car doesn't go near the assembly line. There's no hope or expectation that the concept car will ever go into production. They just do it to do it.

Sometimes, they'll discover that one component of the concept car can be integrated into the assembly line. Over time, the assembly line innovates responsibly because of the experimental components that feed it.

The predictable assembly line is where you meet your forecasts, improve your ROI, establish benchmarks and engage in repeatable behaviour that delivers the metrics you cherish.

The concept car is where you remove the handcuffs to play, try things you've never done before, integrate new and original perspectives and create art.

The concept car is where you spend your money. The assembly line is where you make it.

Most start-ups are just building concept cars. Most established organizations are just assembly lines. The best type of organization is the one that can have a healthy balance of the two. Remember, they're an odd couple. They don't exist together. One becomes the other.

Some additional thoughts to consider:

### Choose carefully

With intense pressure to innovate, many marketers are trying to build multiple concept cars in the middle of the assembly line. [Launch a hashtag challenge on TikTok! Produce a podcast! Recruit influencers!!!] The result is chaos. No one is exactly sure what they're supposed to do or how their success will be evaluated, and morale plummets over the uncertainty. There's no repeatable behaviour, so quality goes down, costs go up and margin is eroded. The result is that the skeptics take a look at the numbers and grumble, "I told you we should have just done it the old way."

### Let brilliance bubble to the top

In a discussion on harnessing great ideas, a global tech CEO pointed out the difficulty of developing concept cars for established organizations and why start-ups seem to be disrupting the predictable-craving established organizations. When a start-up has a great idea, they can pitch twenty VCs in a row, getting a "no" every time. But if the twenty-first VC says yes, they can go to market. Within large organizations, if someone has a great idea, they have to pitch the idea up a long line of bosses and get a "yes" every single time. The first "no" they encounter kills the idea. Great ideas and creative brilliance need to bubble to the top.

### Don't embrace failure

I don't love the phrase "embrace failure," because there are times when we should definitely not embrace failure. At no point should you embrace failure on the assembly line. There is no room for failure there. And put another way, creative concept cars are experiments. Experiments, by their very nature, can't fail. They only fail when we marketers arbitrarily place unrealistic benchmarks for them to meet.

On the topic of embracing failure, one CEO of a global e-commerce company called it a myth. He said, "As an example, we've built 85 distribution centres. We should know how to do that by now. The only place you should embrace failure is in experiments. But if you define an experiment as a failure, I don't think you understand what experiments are supposed to do."

### Don't forget to invest in the assembly line

Globally, Coca-Cola spends about 70 per cent of its marketing dollars on assembly line activities – tactics that meet desired and expected levels of performance. But importantly, 20 per cent of their budget is allocated to improving the assembly line and increasing its efficiency. Process improvement can deliver work faster. Technology adoption can streamline how you share information. A data ecosystem can customize and personalize creativity for greater impact and better returns. Training and development can help make

people smarter and more confident in their abilities. And apparently, an axe throwing party with your agency partners can lead to greater understanding and quicker approvals. Regardless of how you do it, increasing the efficiency of the assembly line leads to more money, more time and more energy to create mind-blowing work that will grow your business and build your career.

Look, a simple automotive metaphor may lead to greater understanding but please don't think there's anything simple about its implementation. You're a marketer. Maybe you're the data-driven, analytical marketer who loves crunching numbers and driving engagement within two decimal places of your prediction. Maybe you're the artistic brand champion grounded in the soul and desired emotional response of your communications. Crossing over isn't easy. Just put one foot in front of the other.

Creative becomes predictable.

Creative becomes predictable.

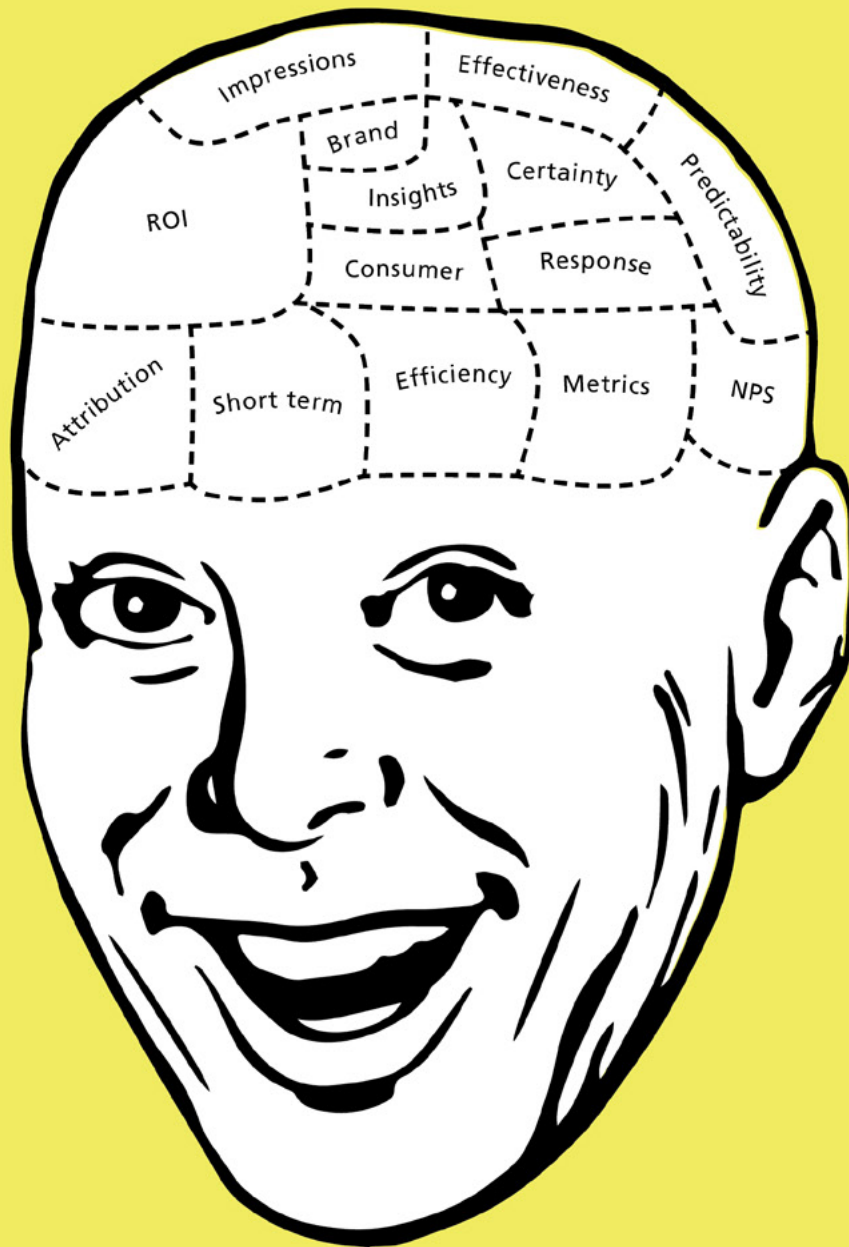
Creative becomes predictable.

Ron has been an award-winning writer and creative director for some of the world's most respected brands, including Air France, Evian, Hershey, Johnson & Johnson, Kraft and Microsoft. He's founder and CEO of Church+State, an agency that unifies content and advertising.

He's written for television, theatre and children, as well as produced and hosted the comedy show, *Monkey Toast*. He's even created a branded art gallery for Volvo.

Ron speaks to leading organizations about creativity, innovation, branding and corporate strategy. His first book, *Everyone's An Artist*, was co-written by Scott Kavanagh and Christopher Novais. His second, *Think • Do • Say*, hits store shelves October 1.





# ***MEASURING WHAT MATTERS***

*CHANGE YOUR MEASUREMENT MIND >>*

# MARKETING IS SUFFERING FROM A CHRONIC CASE OF SHORT TERMISM

In the market research publication *The Long and Short of It*, Peter Field and Les Binet analyzed three decades of marketing research to show that short-term metrics do not effectively predict long-term success. But more importantly, the research suggests that a focus on return on investment [ROI] actually decreases long-term profit and brand health.

This is a study that every marketer should put at the top of their reading list. It tells a story about the attrition of marketing effectiveness and the rise of disposable creativity. It's one of many recent studies to corroborate the issues being caused by marketing for immediacy.

Some of the side effects include:

- › A focus on ROI
- › Reduction in total channels used
- › Over-investment in online media
- › Decreased brand-building marketing
- › Obsession with data-driven certainty
- › Marketing effectiveness teams being set up
- › P&G refocusing on reach and visibility

We are living in an immediacy culture. Immediate purchasing. Immediate information. Immediate answers. Immediate feedback. So, it's no surprise that marketing is living there too. Digital immediacy brought with it data immediacy, which created measurement immediacy.

Changing our measurement mindset holds the key to fixing the marketing effectiveness deficit to strike a better balance between short-term sales and long-term brand building.

## ARE YOU COUNTING OR MEASURING?

Measuring success based on what's easy sounds like madness, but we do it every day. Marketers have more data at their disposal than ever before, yet less clarity on what it all means. We're swimming in a sea of easy-to-access metrics that don't seem to be adding up to more effective marketing. What's easy to access and easy to measure is also giving

us a myopic view of performance. The short time horizons obscure longer-term data patterns and insights. It's not that real-time measurement is inherently bad, it's just not good when you're lacking strategic metrics to create context.

Although there's no one metric to rule them all and no one technique to measuring better, the optimal way to simplify measurement is to focus on what matters – the things that are meaningful and actionable. Metrics can be all consuming and confusing, so let's get the math right first.



As greater emphasis is put on short-term performance, it makes sense that ROI has become a leading measurement. After all, it's a metric of efficiency, not of total effectiveness.

Campaigns are generally becoming less effective. According to marketing expert Peter Field – who worked with the Institute of Practitioners in Advertising [IPA] on analyzing decades of performance data – that's linked with a growing focus on ROI.

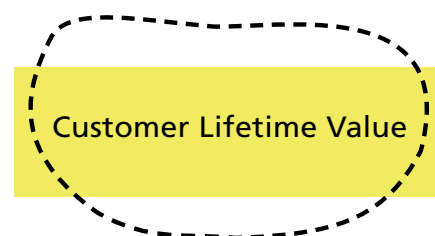
ROI doesn't tell you whether something was effective – whether it worked. It doesn't tell you if your campaign will help you generate better gross profit. Data from the IPA indicates that, in the short term, volume growth wins but gross profit does not. It measures short-term return over short-term investment. ROI does not take into account the long-term effects of marketing. It takes time to build a brand, it takes time to build customer value and it takes time to create price elasticity.

This simple metric can create complex marketing management issues and ultimately destroy economic value. A disproportionate

focus on ROI tends to favour cost saving and quick wins. To increase ROI, you simply have to reduce spend, buy cheaper, less targeted media or focus on impressions – things that increase the "bang for your buck." But what's the cost of reaching the wrong audience efficiently?

Practising responsible ROI will keep things in check. You need to know the point at which effectiveness is put at risk. You also need to be measuring other KPIs with an eye to return over time. That's where metrics like customer lifetime value [CLV] come in. When you're measuring for effectiveness first, as one of several KPIs, ROI becomes a lot more useful.

**ROI creates a short-term bias that doesn't maximize growth potential.**



It's heartening to know that CLV is being championed as a central metric. It will do a lot to offset short termism and put the focus on profitable customers. In reality, your customer is your business strategy. A recent study from MIT Sloan Management found that organizations are using customer segmentation, CLV, churn and brand equity as the top customer-centric metrics. CLV plays a role in attracting more engaged customers. When you combine segmentation data with CLV you can examine where your future business might be coming from and better assess the equity of new customers in terms of value. But, it's easy to fall into the trap of assigning economic value to groups of people as a foregone conclusion. In his book, *Who Do You Want Your Customers to Become?* Michael Schrage points out that you have to invest in the future value of customers through innovation, experience and customer service. It's better to see your customers as partners in creating value.

**Your customers become more valuable when you do something, not when they do something.**

## Lead vs. Lag Indicators

The first step to creating meaningful and actionable measurement is deciding on KPIs. Sometimes, KPIs are “key” by name only, when they should be treated as a commitment. KPIs are both predictive and conclusive, so we need to use them this way. Typically, our KPIs focus on results but forget about predictive indicators. Lag indicators measure results while leading indicators show performance. For example, brand differentiation is a lead indicator for retention and employee satisfaction is a lead indicator of customer satisfaction. If you want to create more prediction in your KPIs to improve performance, you need to measure lead indicators. A straightforward way to do this is to match every lag indicator with a lead indicator. The metric you want to drive is the lag indicator but the intended impact has to be on the lead indicator. Lead indicators aren’t always what you expect them to be, so it’s important to identify the right ones as well as the ones you can actually influence.

### Impact lead indicators to drive lag indicators.

## Return on Experience

ROE metrics, as the name suggests, are customer-centric metrics that help you quantify key experience indicators. They precede business outcomes, meaning they are lead indicators that you can action to influence business results. If you want greater predictability, increased marketing certainty or a way to stay focused on people, ROE might be the right approach for you. Tomer Sharon, Head of User Research & Metrics at Goldman Sachs, uses the following example to explain their value:

*Chef Antonella opened her new restaurant six months ago. Revenue is up and to the right, tables are reserved in advance and the restaurant is full and lively every single night. Business metrics show a very positive picture. She also measures two key experience indicators that paint a different picture. Close to 100 per cent of customers are new. She has almost no returning customers. Second, on average, 70 per cent of food is left on the plates. Something is wrong although business is great.*

ROE captures experiential factors that provide context to business outcomes. It’s information that can be manipulated to improve business results. You can make adjustments in real time, to improve short-term outcomes and amplify future value. If you’re unsure about ROE metrics, start by focusing on CLV and think about how experience increases customer value over the long term.

### To get started with integrating ROE metrics, use the Google Heart Framework.

## Attribution

Marketers want to understand which of their marketing efforts actually gain attention or drive interest. Last-touch attribution is out and multi-touch attribution is in, but many marketers don’t have the means to do custom multi-touch attribution modelling. Media-mix modelling during the planning stage will create a baseline for attribution, which can help make more sense of attribution.

Some of the challenges with attribution:

- › There is a tendency to focus on efficiency because it’s easier to measure.
- › Online can get too much attribution and upper-funnel metrics too little.
- › Consumer behaviour is not linear, so attribution is missing context.
- › Consumer interest is generated by the net total of efforts, not by one channel.

The Effies database indicates that the highest awarded marketing effectiveness cases use the most channels. The more channels, the more impact. Yet, Digiday reports that marketers are torn between the speed of last-touch when they know it isn’t the most effective way to measure attribution. So where does that leave attribution modelling? Whatever model you choose, ensure KPIs provide a meaningful foundation for attribution, which includes effectiveness as well as efficiency and captures upper-funnel influence.

### Focus on meaning over speed when it comes to the complexities of attribution.

## FUTURE SHOCK

Marketing is dealing with a case of future shock. As a consequence, we are looking down, not up. Future shock is a sickness that comes from too much change in too short a time, the feeling that nothing is permanent anymore. It’s the reaction to changes that happen so fast that we can’t control them. It’s the premature arrival of the future. Everyday we’re bombarded by choices. We need to make instant decisions. We’re in endless combat with our own environment with all its space and variety. It’s choice over choice.

*Future Shock [1972], Orson Welles.*

## MARKETING EFFECTIVENESS HACKS

- › Prioritize *profitable volume*. You can’t do that when you’re marketing for immediacy.
- › Focus on achieving *memorable delivery* of your message.

## MEANING THEN MEASUREMENT

Measuring what matters must start with meaning, because ultimately that's what differentiates a brand in a customer's mind. Understanding and defining how the company creates value, and how successfully it creates value over time, is where all measurement needs to begin. From the C-suite down, aligning measurement to meaning will increase the impact of marketing efforts.

### Speed kills quality insights

"The demand for faster and cheaper results comes at the expense of thinking time and quality insights. Using the right consultants to interpret multiple data sources can help extend the marketing team and add a fresh, unbiased perspective. In addition, AI and Machine Learning can enable people to be innovative, especially when those people are focused on ROI and impact. Finally, the C-level thinking is shifting to a 360-degree understanding of the customer. The often-misunderstood NPS score is now complemented with measures of emotional connection and behavioural data, to generate better predictions for next quarter." *Diana Lucaci, Founder and CEO, True Impact*

### You have to create value to measure value

"The quest for certainty kills meaning. Meaning is hard to create and hard to measure, yet it's the only thing worth measuring. You have to create value to measure value, not measure value to create it. We've created a system that doesn't make sense. That's why there's no meaning to anything we do anymore." *Dr. Martina Olbertova, Founder and CEO, Meaning.Global*

### What's easy to measure is a sad proxy for success

"One of the sad realities of the modern world of data is how pretty much every single KPI we focus on is entirely useless. We spend countless hours, trillions of dollars obsessively measuring, optimizing against things that are either the most easily measured or an irrelevant proxy for success. From wanting higher click through rates on ads, to cheaper ideas to cheaper impressions to more views, we keep wasting time on the wrong things." *Tom Goodwin, EVP and Head of Innovation, Zenith Media*

## THE VALUE-CREATION ZONE

If you're tired of the metrics overload, the pressure to prioritize ROI, the silos and the feeling that marketing has turned into a "buy now" mechanism, it's time to get [back] in the value-creation zone.

And make it your happy place.

In the value-creation zone you're delivering what the company needs while also delivering what the customer needs, to create a virtuous cycle of value creation. There are many benefits to using this simple, yet powerful, management idea that will help you take back control.

**Impact:** Customers are your business value. Creating a value chain of metrics will align cross-functional KPIs to create a customer-centric and a business-value mindset.

**Alignment:** This keeps everyone focused on what is being measured and why. It's an approach that ensures tactical metrics ladder up to strategic metrics and that strategic metrics address what the business needs commercially.

**Customer centricity:** Including customer-centric metrics will help operationalize the impact of customer journey maps, experience design and segmentation more effectively. Important metrics like CLV will be a priority.

**Meaning:** A deluge of metrics and inconsistencies about what success looks like are signs of a strategy gap. Meaningful measurement requires a defined strategy for value creation and a common understanding of what success looks like over time. A vision that takes the company into the future and helps you decide how you'll act today to contribute to tomorrow is a very important part of planning for economic value and measuring for meaning.

You'll know when you're in the value-creation zone because marketing will be focused on impact reporting, practising responsible ROI and creating long-term value for the company, not just short-term results.

**When it comes to measurement, just because you can, doesn't mean you should.**

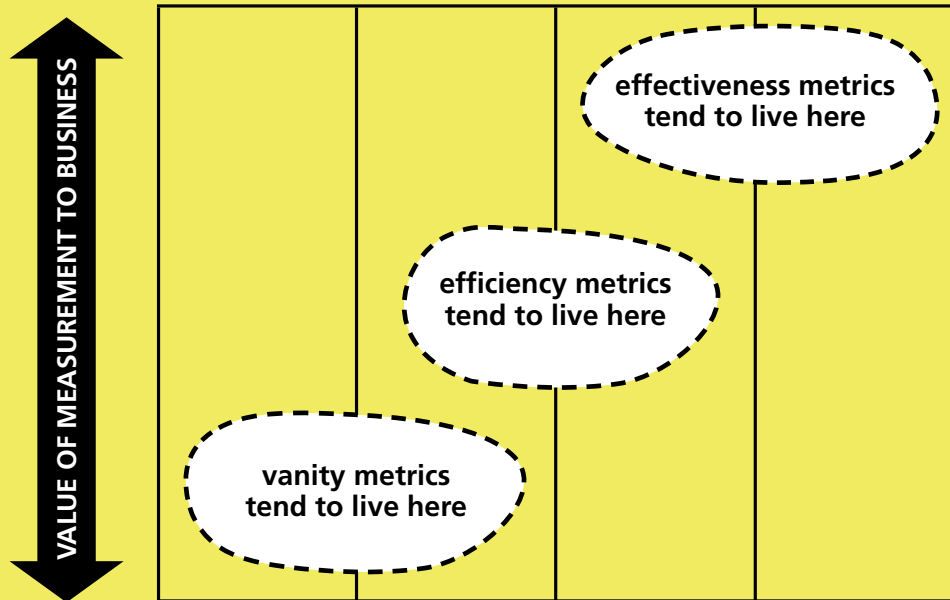
**"An easy but inaccurate measurement will only distract you. It might be easy to calibrate, arbitrary and do-able, but is that the purpose of your work?"**

**Seth Godin**

# THE IMPACT MATRIX

Strategic Metrics

BUSINESS & BRAND GOALS



Tactical Metrics

Real-time

TIME-TO-USEFUL

[THE TIME FRAME IN WHICH A GIVEN METRIC IS USEFUL]

Yearly

## VALUE CHAIN MEASUREMENT

- › Link strategic metrics to commercial objectives and brand
- › Gain cross-functional alignment on core set of KPIs
- › Ladder tactical to strategic metrics
- › Decide on time horizon of metrics
- › Translate to a dashboard

## THE MEASURING FOR IMPACT CHECKLIST

- Meaningful and actionable?
- Effectiveness-led metrics?
- Lag and lead indicators?
- Customer centric?
- Short and long-term value?
- Value-chain KPIs?
- Benchmarking?





***HEY, MIRROR MIRROR,***

***WHAT ARE THE FAIREST  
METRICS OF THEM ALL?***

Marc Binkley, MD and Digital Strategy Lead, Anstice Communications

Imagine this. You and I are in a boardroom presenting our latest marketing report. We're there to talk about the recent campaign metrics and we're on a roll, updating the number of GRPs delivered and the big improvements made on CPM, CTR and CPC.\* After we present the data, there's an uncomfortable silence, and one exec finally says, "So tell me, is that good?"

For decades in the ad industry, we've talked in terms of vanity metrics. We often report on the performance of our campaigns using the mountains of data, numbers and metrics that are readily available to us. All too often, these metrics don't actually inform or influence future strategic business decisions that will drive growth. In the example above, gross rating points, impressions, click-through rate and cost per click are all vanity metrics. They're easy to get, but hard to show they are moving the business forward.

***"After we present the data, there's an uncomfortable silence, and one exec finally says, "So tell me, is that good?"***

Without linking these vanity metrics to a business outcome, we inadvertently reinforce negative stereotypes that limit our potential contribution. The first is that marketing costs are an expense that can be cut in tough times. The second is that marketers are a group of "creatives" who focus on soft, fluffy outcomes. Today, we should take the opportunity to rethink how marketing is an investment that can influence and inform business decisions.

We have access to an amazing set of tools and data that can transform a business. Using the scientific method we can measure an incremental revenue lift. With Google Store Visit conversions we can optimize for foot traffic in a location. Facebook Offline Conversions can show the connection between an online ad and an offline sale. There are many more tools than I've listed here, but it's been my experience that reporting to executives on metrics like these changes the conversation to one about business growth.

To fuel this new conversation, I suggest linking vanity metrics to the four levers of business growth:

1. Number of customers
2. Frequency of purchase
3. Average transaction value
4. Customer retention

Using these levers as the outcomes to influence, we can choose the right set of strategies and tactics to move a business forward. Let's take a look in more detail:

#### **1. GROW THE NUMBER OF NEW CUSTOMERS**

Perhaps the most obvious way to grow a business is to increase the number of customers it serves. When selecting the marketing tools for this lever, you'll want to measure the number of new customers you've done business with in this period of time.

#### **2. INCREASE THE FREQUENCY OF PURCHASE**

In general, this growth lever is based on the idea that your business will serve people multiple times. Here, marketing can test and learn about the mechanics that will shorten the time between purchases.

#### **3. INCREASE THE AVERAGE TRANSACTION VALUE**

A single transaction is the central building block in any business. By calculating the average value of each transaction, you can

identify and test value-added opportunities that can be used to raise the amount of each deal, contract or purchase.

#### **4. RETAIN THE NUMBER OF CURRENT CUSTOMERS**

It's difficult to grow a business if you lose as many customers as you gain. No matter the size your business, the key to customer retention is a centralized database that is able to retain information about each account. With this customer knowledge, marketing can choose tools and tactics that will help build, measure and monitor activations focused on customer retention.

Using these four levers, we can prove the impact of marketing's contribution to the business. They replace the confusing marketing speak of vanity metrics and align with business language. Now, the perception of marketing shifts from an expense to an investment.

\* GRP = Gross Rating Point, CPM = Cost per thousand, CTR = Click-through rate, CPC = Cost per click



Marc Binkley is MD and Digital Strategy Lead at Calgary's Anstice Communications. Previously responsible

for digital strategy and analytics on Sport Chek and Atmosphere brands at FGL Sports and Canadian Tire, Marc helped digitize the retail shopping experience. He also mapped customer journeys, led real-time marketing campaigns, developed content marketing strategies, designed attribution models, created media mix tests and linked digital ads to offline and online sales. His work has been recognized and awarded around the world. Marc founded the Social Media for Business certificate program at Calgary's Mount Royal University.



# EFFECTIVENESS VS. EFFICIENCY

Marketing effectiveness and efficiency are not the same thing. A focus on effectiveness leads to long-term gains, while efficiency delivers short-term spikes. Both are needed. But what happens when you inadvertently prioritize efficiency over effectiveness in key performance metrics?



**COMPANIES ARE PRIORITIZING ROI AS A KEY METRIC**

Return on investment is an efficiency metric. It measures the extent to which something will provide a return, but it doesn't tell you whether something will generate gross profit.

**RETURN**  
creates a bias toward efficiency and short termism [immediacy]

**HOW DOES THIS IMPACT EFFECTIVENESS?**

- › Lower % brand-focused marketing
- › Increase in frequency
- › Increase in digital investment

**TACTICAL QUICK WINS AND COST-BASED METRICS GET PRIORITIZED**

**SHORT-TERM EFFECTS**

- › Low visibility and reach
- › Reduced brand recall
- › Gross revenue performs under potential

**LONG-TERM EFFECTS**

- › Brand equity eroded
- › Price elasticity shrinks
- › Competitive disadvantage

**MARKET EVIDENCE**

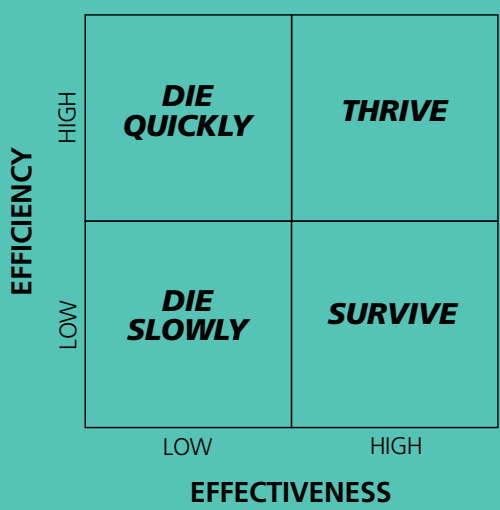
- › Increase in short-term campaigns
- › Overspending on digital activation
- › Reduction in total channels used

**CONSEQUENCE**

A focus on ROI creates a short-term view of marketing performance.

**REDUCING OVERALL SALES AND GROSS PROFIT, TURNING MARKETING DEPARTMENTS INTO COST CENTRES**

**REPRODUCE THIS QUADRANT AND PLOT YOUR METRICS ON IT. ARE YOU SET UP TO THRIVE?**



- THRIVE TRAITS**
- › Prioritizes brand building
  - › Focuses on profit and volume
  - › Balances long term and short term
  - › Leads with effectiveness measures
  - › Uses healthy channel mix

## KEY TAKEAWAY

For companies to thrive, marketing effectiveness needs to be a growth priority. Effectiveness is about achieving marketing goals that increase value today and tomorrow, growing a customer base over time and driving profitable volume.

Sources:  
 Martin Weigel, 2010, *A Tale of Maths and Ignorance: Why ROI is not effectiveness*  
 Martin Weigel, 2013, *The Conflict between digital immediacy and effectiveness*  
 IPA UK, 2017, *Media in Focus – Marketing effectiveness in the digital era*, Les Binet and Peter Field  
 Marketing Week and Thinkbox, Oct. 2018, *Efficiency versus effectiveness: Why marketers need to move beyond ROI*

# *CASE STUDY*

United Way masters the art of being #UNIGNORABLE in the competitive non-profit sector. The integrated campaign artfully unifies local issues with an attention-getting colour to increase donations and local love. >>

# #UNIGNORABLE

Domestic violence, poverty and homelessness exist in communities across Canada, but the negative impact of local issues like these is not always visible. United Way wanted to create greater awareness of the issues affecting Canadians in their communities.

## CHALLENGE

It's impossible to solve community problems until you have people's attention. It's equally difficult to secure donations when people aren't clear about what United Way stands for in a sea of worthy causes. There are so many charities vying for share of wallet.

Ipsos reports that the number of people giving to charities increased in 2017, but people are giving less. And, when asked to evaluate effectiveness, Canadians placed more emphasis on a charity's ability to achieve its mission and create impact.

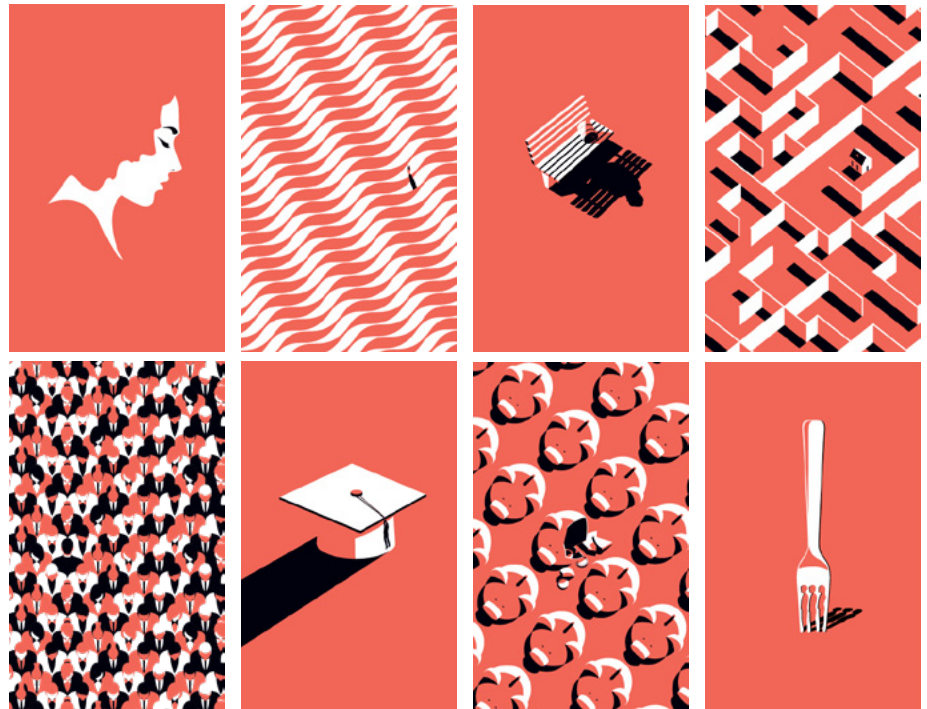
United Way needed to emphasize what it does, and why it matters in a way that would not only raise the profile of its causes but also make this non-profit stand out.

## RELEVANCE

United Way wanted to address eight issues that affect Canadians in every community: domestic violence, mental health, unemployment, homelessness, education inequality, social isolation, poverty and hunger.

Local issues can be easy to ignore. The strategy was to make them "unignorable" and the campaign objective was to increase visibility.

Charities are good at putting a face to an issue, but what about a colour? The Pantone Color Institute® was selected to create one unifying colour for the eight concerns. Applying the science of colour resulted in a vivid, neon, coral orange, created specifically for United Way.



## INCITING ACTION

The #UNIGNORABLE platform was launched with United Way's largest integrated campaign to date. Building on the colour, the multimedia campaign draws on a tradition of art as activism, using custom art by Malika Favre to represent the eight issues. #UNIGNORABLE came to life through film, video, social, out-of-home, experiential events, merchandising partnerships and direct mail.

Toronto kicked off its campaign with an interactive installation at Nuit Blanche. In

film and video, the #UNIGNORABLE colour draws attention to issues: a van that's home to someone, the food tray of a hungry child, a bullying text, a chair that bars the door to domestic violence. Each ended with the words "local issues can be easy to ignore, we're making them #unignorable."

The direct mail campaign reached 200,000 addresses. Each mailing concentrated on a different campaign issue, with stories chosen to align with video assets. In future, United Way hopes to further personalize

**CLIENT:** United Way | **COUNTRY:** Canada | **AGENCY:** Taxi, Toronto | **AGENCY TEAM:** Executive Creative Directors Alexis Bronstorph, Kelsey Horne | Assistant Creative Directors Dan Cantelon, Marc Levesque | Designer Rasna Jaswal | Illustrator Malika Favre | Senior Integrated Producer Cherie O'Connor | Producer Dennis Soler | Broadcast & Content Producer Joan Digba | Group Account Director Adam Ball | Account Director Leigh Anderson | **CLIENT:** VP, Head of Strategy Christine Maw | Content Director Adrienne Clarke | VP Communications and Brand Strategy Louise Bellingham

direct mail to match the problems in each neighbourhood they target.

For one of the mailers, a bold rectangle of the Pantone covered most of the envelope – highlighting #UNIGNORABLE. The power of the message inside hit close to home: “An estimated 35,000 Canadians are homeless on any given night. That’s an issue we can’t ignore.” Another mailing brought to life the story of Mike, whose world was changed by United Way after he’d spent years living on the street. Prospective donors were encouraged to “Show Your Local Love” and to give by mail, phone or online at uwgta.org/donate. The mailing also drove to online video content showing how United Way funds change lives.

## RESULTS

An investment in a unifying and distinctive brand and a focus on amplifying visibility proved to be a winning formula that delivered stronger year-over-year campaign effectiveness and overall return on investment.

- › Greater Toronto, the largest United Way in North America, raised a record-breaking \$110 million.
- › Paid media delivered 218 million impressions, excluding direct channels.

› The campaign also brought together regional chapters of United Way. The investment in shared resources and more coherent messaging boosted the overall effectiveness of fundraising.

For the first time ever, United Way got a thank-you message from a donor who received one of their direct mail pieces in the GTA: “Just had to write and say that I received my #UNIGNORABLE donation package and was impressed with its simple and personal message. It certainly compelled me to donate to the United Way! I love it!”

Unignorable results, for sure. Louise Bellingham, VP Communications and Brand Strategy, adds, “While the campaign only launched in the fourth quarter of 2018, it resulted in unprecedented campaign recall and positive impressions for the brand in our 2018 Brand Health research. It also showed a very high potential lift for stronger brand affinity and future donation intent for those exposed to the campaign. We are thrilled with the initial results and continue to expand and extend the creative platform to more markets across the country.”

The platform is now extending to all markets, and for the first time ever to francophone Canada as #JamaisIndifférents. An exciting

new augmented reality experience highlighting poverty is the centrepiece for the October launch in the GTA.



## Case Study Debrief

COMPANY United Way

INDUSTRY Non-profit

### Inciting Action

Letters and brochures in envelopes printed in the #UNIGNORABLE Pantone were sent to existing and potential donors. Bringing to life the stories of real people who have been helped by United Way, the mailings reached targeted audiences and encouraged donations by mail, phone or online.

### Results

The integrated campaign created over 218 million impressions and helped raise over \$110 million in donations, a record-breaking amount for United Way anywhere in the world.

### Conversion Funnel

Dots indicate where direct mail was used to incite action.



**Data Sources**  
Custom list

**Media Formats**  
Personalized and targeted direct mail

**Activation Pillars**

- ✓ Physicality
- ✓ Data
- ✓ Connectivity

### Key Take-Aways

- › Used a unifying idea to increase marketing impact
- › Built word of mouth into the idea
- › Amplified assets for scale to capture data and stronger offline-to-online conversion
- › Brought intimacy and personalization to issues behind closed doors through direct mail

“ #UNIGNORABLE has been a highly effective breakthrough strategy for renewing the United Way brand in major markets across Canada. ”

– Louise Bellingham, VP Communications, Marketing and Public Affairs for United Way Canada.

# ***CASE STORIES***

A collection of inspired work from around the globe and across industries showcasing the many ways modern marketers are using direct mail media and measuring what matters.



# AN AFFAIR TO REMEMBER

A love letter adds just the right touch of intimacy to an integrated marketing campaign and reignites a passion for Montréal.

There has always been a rivalry between Montréal and Québec City. To attract Québec City residents to Montréal, the city needed to declare its love. This concept was at the centre of Tourisme Montréal's media strategy, playfully mimicking every step in the process of reigniting an old flame – using television, online video, buses, wild advertising and radio. Each ad was customized for different areas in the province. Full-page love letters were printed in each city's most popular journals. Ads were placed in the classifieds of local newspapers, as though Montréal was looking for a soul mate. This integrated campaign "From Montréal, With Love" even had local radio stations dedicating love songs from Montréal to different regions of the province.

The message of the campaign was:

Dear Québec,  
I've changed. Come back and see me.  
Montréal.

The final flourish was to send actual love letters by direct mail. These declarations of affection became the talk of the town. Québec City even responded with a video inviting Montréal to pay a visit. Other tourist regions tried to join the romance with videos of their own. A movement was born, and Montréal was at the centre of it, helping the campaign generate hundreds of thousands in free earned media. By showing its love, Montréal recorded a 19 per cent lift in year-on-year bookings, and saw a 23 per cent increase in visitors from all over the province.



CLIENT: Tourisme Montréal | COUNTRY: Canada | CREATIVE AGENCY: Lg2 | MEDIA AGENCY: Touché! | CLIENT TEAM: Marketing Director, Tourisme Montréal  
François Poulin

# A CATALOGUE THAT MEASURES UP

By shifting the focus of anticipation from getting the catalogue to measuring for new home furnishings, IKEA effectively increased conversion.

Canadians came to expect the IKEA catalogue in the mail every fall, but there came a point when their excitement began to fade. IKEA wanted to reignite that feeling of anticipation, not simply to motivate people to visit their local IKEA store but also to support the company's values. Because their catalogue is a proxy for the brand.

A new campaign launched *The Most Helpful Book in the World*, with outdoor and digital advertising developing awareness and interest for the drop. Besides creating a feeling of anticipation, IKEA also wanted the catalogue to serve as an inspirational guide for its shoppers. So, the most helpful measuring tape in the world was delivered with the catalogue. And it looked just like the cover. At intervals along the tape, messages invited homeowners to discover items of furniture on specific pages of the catalogue. It was encouraging homeowners to start measuring for their new look.

The highly successful campaign saw in-store sales increase by 14 per cent compared to the previous year [almost 11 per cent higher than targets]. In just one day on social media the measuring tape helped to exceed estimated retweets with an average reach of 41,000 and over 265,000 impressions on Facebook.

IKEA succeeded in engaging its customers by offering an experience that was relevant and useful. As part of a precisely sequenced, integrated campaign, direct mail succeeded in selling every inch of the way.



**CLIENT:** IKEA | **PRODUCT:** IKEA Catalogue | **COUNTRY:** Canada | **AGENCY:** Leo Burnett | **AGENCY TEAM:** Chief Creative Officer Judy John | Creative Director Lisa Greenberg | **Group CDs** Morgan Kurchak, Karen Larmour, Anthony Chelvanathan, Steve Persico | **Agency Producer** Anne Peck | **SVP, General Manager** David Kennedy | **Group Account Director** Natasha Dagenais | **Account Director** Danielle Iozzo | **Account Executive** Rebecca Simon | **Planner** Lisa Hart



## KEEPING AHEAD IN THE CLOUD

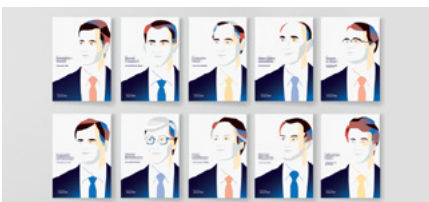
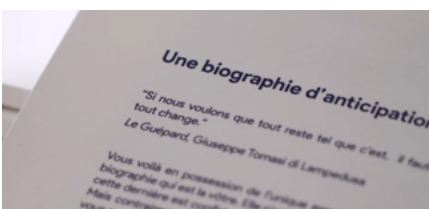
Sending hyper-personalized biographies got the attention of hard-to-reach CEOs and proved that investing in your audience is crucial to effective marketing.

Amazon Web Services dominates on-demand cloud computing. To compete, Google is investing heavily and wants to attract enterprise customers. To sell the idea of digital transformation, Google Cloud reached out directly to the most unreachable top executives in France and told them about the power of Google Cloud for Business.

Selecting 10 high-profile CEOs from 10 very different industries, they sent them each a book. These were biographies of anticipation – the plausible future professional life stories of these top executives, based on data analysis of their markets.

Vast quantities of data were fed into Google Cloud to predict what the next 10 years will look like. Expert ghostwriters then turned the predictions into 10 unique biographies. Renowned economist Jacques Attali wrote the foreword and artist Alix d'Anselme painted portraits for the front covers. The 60-page books were printed, bound and delivered.

Not cheap. But the rewards for getting a decision maker to choose your enterprise solution in this growth market are eye-wateringly substantial. The more data poured into the writing of the books, the more compelling the stories would become. Combining the power of a physical, tactile, personalized book with the ability of direct mail to get through to the unreachable, Google Cloud was able to change the face of prospecting. And, in the early days of the campaign, two of the CEOs had already signed up for Google Cloud for Business, proving that this cloud has a silver lining.



**CLIENT:** Google Cloud | **PRODUCT:** Google Cloud for Business | **COUNTRY:** France | **AGENCY:** Herezie Group, Paris | **AGENCY TEAM:** Executive Creative Director Baptiste Clinet | **Creatives** Joseph Dubruque, Axel Didon, Raphael Stein | **PRODUCTION TEAM:** TV Producers Elodie Poupeau, Barbara Vaira | **Book Editor** Maria Felix Frazao | **Copy Editor** Fabienne Waks | **Production Editor** Brigitte Trichet | **Printer** Editis | **OTHER:** CEO Andrea Stillacci | **COO** Pierre Callegari | **Head of Social Media** Paul Marty | **Managing Partner** Arno Pons | **Account Manager** Diane Darricau

## FASHION FORWARD PRINTING

Direct mail set the stage for a fashionable event that attracted attention and sales.

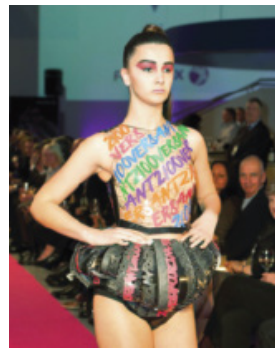
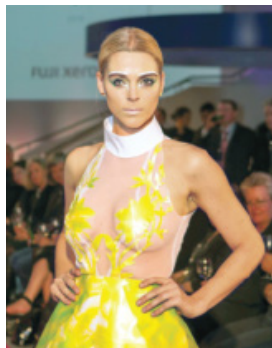
When Fuji Xerox launched its Versant 2100 Digital Printer, prospects were already drowning in print samples. Unless they could see proof of performance, they wouldn't buy. It took an immersive, integrated direct mail experience to demonstrate the printer's capabilities and stand out from everyone else in market.

The 3D direct mailing came from fictitious French fashion designer, Alfonso Versant. His fashion collection used only paper stocks passed through the Versant 2100. Inside was a beautiful look book filled with Alfonso's musings. Also included, a VIP pass to the New Zealand premiere of Fashion Collection de Papier.

For the event, award-winning fashion and garment technology college NZ Fashion Tech helped create 12 unique Haus of Versant looks. Over 300 attendees watched models take to the runway wearing garments created on the Versant 2100 printer.

The goal was to sell 20 units within the first three months. Instead, they sold five machines on the night of the event and 49 more units within the first three months. During launch month, Fuji Xerox New Zealand accounted for 61 per cent of Versant 2100 sales in the region. At five months, ROI had risen to 328 per cent of target.

The creativity of dimensional direct mail combined with carefully targeted content drove potential buyers to the fashion show to witness an outstanding demonstration of the printer's capabilities. It was an integrated campaign based on fantasy that in reality resulted in a competitive advantage.



**CLIENT:** Fuji Xerox | **PRODUCT:** Versant 2100 Digital Printer | **COUNTRY:** New Zealand | **AGENCY:** Republik | **AGENCY TEAM:** Creative Director Andrew Sims | Copywriter Duncan Blair | Art Directors Craig Ross, Melissa Turkington | **PRODUCTION:** Craig Abbott | **OTHER:** Paul McNamara, Lisa Brooks, Amber Henderson, Steven Counce, Alistair Egan

# LICENCE TO BILL

How a simple sentence in a mailing window changed consumer behaviour and created valuable business efficiencies.

In the U.K., you must have a TV licence to watch or record live TV and download or watch BBC programs on iPlayer. But getting evaders to pay up isn't easy. Monthly letters are mailed to about 1.4 million unlicensed addresses.

Despite the possibility of a visit by an Enforcement Officer, most recipients ignore the letter. Time for a new way to get householders to open the envelopes and act on the information inside. Licensing authorities chose intrigue over alarm. The plain outer contained two windows. One for the address and a second, which asked, "Will you be in on <XX Date>?" The implied possibility of a visit by an Enforcement Officer was real.

The date was close enough to feel imminent, and far enough away to get in touch in advance and take action if a licence was required. The letter was signed by an Enforcement Manager in the area, making a visit seem probable [across the country, officers make visits every five seconds, including evenings and weekends]. The message spelled out the consequences of evasion [a fine of up to £1,000]. A "Visit Approved" stamp added a sense of authority.

A simple question in the window of an envelope generated a 230 per cent uplift in response rate against the control, leading to significant incremental revenue. But that's not the only measure of the mailing. There was also value in the reduction of enforcement visits by field officers.



**CLIENT:** TV Licensing | **COUNTRY:** U.K. | **AGENCY:** Proximity London | **AGENCY TEAM:** Executive Creative Director John Treacy | Creative Director Rob Kavanagh | Creative Director – Art Director Tristan Sellen | Creative Partner – Copywriter Francesco Perillo | Copywriter Greg Cohen | Group Account Director Michelle Hampton | Account Director Rich Gush | Head of Customer Engagement Adrian Hoole | Senior Planner Sabeena Lone | Data Planning Director Matt Ingram | **CLIENT TEAM:** Marketing Campaign Manager Lindsey Hawkins | Portfolio Head of Sales & Marketing Catriona Ferguson



## PRESCRIBE IT FORWARD

A Thai hospital uses direct mail as a social innovation channel that redistributes surplus medication to patients in need.

Each year, over 67,000 patients in Thailand's border areas seek free medical treatment from state-owned hospitals, which often lack even basic medication like painkillers. Asking donors to fund the drugs would be one solution – but not necessarily sustainable.

Noticing that city dwellers often had leftover medication, Thailand's Umphang Hospital wondered if those surplus meds could be redirected to patients who were unable to afford them. But, how were they to bring together the unused drugs and the people who would benefit from them? A solution was needed to redirect free medicines from as many donors as possible.

Targeting patients through urban hospitals and pharmacies in Bangkok, the Cure Pack invited them to pass on their unused pharmaceuticals to less fortunate patients. What if the bag pharmacies traditionally used to dispense medication doubled as an envelope, which could be mailed back to Umphang Hospital – a place where medical staff could sort through the pills and treatments, keeping those that could still be used?

Over 100,000 packages of the Cure Pack were produced at an average cost of only 7¢ per patient. The medicine sent back through the mail was priceless, and has helped over 25,000 people requiring medication.

The aim of this campaign wasn't only to educate, but to empower action. By turning a bag into an envelope, Umphang Hospital has reduced pharmaceutical wastage and helped thousands of patients who can't help themselves. Just what the doctor ordered!



**CLIENT:** Umphang Hospital Foundation | **PRODUCT:** Cure Pack | **COUNTRY:** Thailand | **AGENCY:** Leo Burnett Group | **AGENCY TEAM:** Chief Creative Officer Sompat Trisadikun | Executive Creative Director Chanyutt Boonyagate | Creative Group Head Sakon Khanawuthikarn | Art Directors Sakon Khanawuthikarn, Sompat Trisadikun | Copywriter Jakkaphong Kirdtongkum | Group Account Director Thanyaporn Teeraprapha | Account Director Panjaporn Kruapanichwong | Editors Thawisawakorn Seangkaharat, Thanakorn Leeramass

# STAMPING OUT HIGH PRICES

When targeting Seattle’s car owners, Liberty Mutual used its brand proposition to prove that little things can have a big impact.

In the world of car insurance, people often pay for coverage they don’t use. When Liberty Mutual repositioned its customized insurance with the line, “Only pay for what you need,” they wanted a powerful, unexpected way to communicate this to drivers.

So, the company translated its message into a tangible expression of value and put it right in the hands of exasperated car owners. To increase the impact, they targeted one of the most expensive places in the U.S. to own a car in 2019 – Seattle, Washington.

Competing with GEICO’s caveman and Farmers’ swimming mer-mutts, how did they draw attention to themselves? By creating the world’s most cost-efficient piece of direct mail. The envelope was barely bigger than a stamp and the mailer’s near-microscopic headline read, “We only paid for what we need, and you can too with customized car insurance.” Addressed by hand, hundreds were mailed directly to consumers who could use a better deal. The tiny message directed car owners to LibertyMutual.com for their customized quote.

Direct mail allowed the brand a flexible space to show off its personality – and shake off its image as a traditional, premium insurance provider. Liberty Mutual had the opportunity to associate with affordability and make people laugh. While the envelope, card and message might have been small, the mailer had a big effect on Seattle drivers. When measuring success, it’s often the little things that make all the difference.



**CLIENT:** Liberty Mutual | **PRODUCT:** Insurance | **COUNTRY:** U.S. | **AGENCY:** Goodby Silverstein, San Francisco | **AGENCY TEAM:** Chief Creative Officer Margaret Johnson | Executive Creative Directors Danny Gonzalez, David Suarez | Associate Creative Directors Josh Hacothen, Jeff Fang | **PRODUCTION TEAM:** Director of Graphic Services Jim King | Envelope Handwriting Kira Lindsay | **OTHER:** Managing Partner Brian McPherson | Group Account Director Chris Ferko | Account Director Cassi Norman | Account Manager Tom Yadron | Head of Brand Strategy Bonnie Wan | Group Communication Strategy Director Dong Kim | Research and Analytics Strategist Jessica Badrous | Brand Strategist Marisa Perazzelli



## FINDING THE WOW FACTOR

When a leading retailer turns direct mail into a shoppable experience, the wows quickly turn to sales.

In 2016, after a nine-year absence, Canadian Tire mailed 12 million 200-page catalogues showcasing 1,000 products. And they supported the mailing with targeted television ads. By rediscovering direct mail, this iconic Canadian brand was investing in a promotional tool for their digital catalogue. The WOW Guide was a bold move, signalling a new era that would mix the best of physical and digital media to enhance customer experience and provide a clear path to purchase.

A new kind of catalogue emerged, combining augmented reality with print on paper. Using Canadian Tire's mobile app, WOW Guide readers could hover and discover digital content such as product videos and reviews, dynamic pricing or local inventory details, for example. With their interest piqued, customers could make purchases by simply swiping a screen. Immediately after the launch of the WOW Guide, the retailer's weekly online sales doubled across all stock keeping units [SKUs].

And the catalogue continues to wow Canadians. This valuable marketing tool appears twice a year, and now incorporates specific search terms on the page to guide readers to their digital destination. They can learn "How to choose a smoker," find out about "Inspiring outdoor ideas from the CANVAS Patio Collection," discover "How to find the perfect hybrid bike." It's full of relatable images that play into lifestyle aspirations and are reflected in the online and in-store experiences. In a modern marketing mix, there's more than one way to channel success.



**CLIENT:** Canadian Tire | **PRODUCT:** WOW Guide | **COUNTRY:** Canada | **AGENCY:** Rogers Media | **AGENCY TEAM:** Senior Director, Rogers Content Solutions Clodagh Wilson | **Creative** Noam Lamdan | **Content Director** Christopher Loudon | **Group Content Manager** Mike Cortiula | **Client Manager** Beth Fraser | **CLIENT TEAM:** Senior Vice-President, Marketing T.J. Flood | **Vice-President, Marketing** Jason Blanchette | **Assistant Vice-President, Marketing** Bobby Singh-Randhawa

# INCITE

United Way | Non-profit

## #UNIGNORABLE

Domestic violence, poverty and homelessness exist in communities across Canada, but the negative impact of local issues like these is not always visible. United Way wanted to create greater awareness of the issues affecting Canadians in their communities.

### CHALLENGE

It's impossible to solve community problems until you have people's attention. It's equally difficult to secure donations when people aren't clear about what United Way stands for in a sea of worthy causes. There are so many charities vying for share of wallet.

Statistics Canada reports that the number of people applying to charities increased in 2017, but the number of people giving less. And, when asked to rate effectiveness, Canadians placed more emphasis on a charity's ability to solve its mission and create impact.

United Way needed to emphasize what is and why it matters in a way that not only raised the profile of its causes but also made this non-profit stand out.

### OBJECTIVE

United Way wanted to address eight issues that affect Canadians in every community: domestic violence, mental health, employment, homelessness, inequality, social isolation, hunger.

It can be easy to ignore. The goal was to make them "unignorable" – a campaign objective was to raise awareness.

United Way started by putting a face to the issues. What about a colour? The Pantone Institute® was selected to create a colour for the eight issues: neon, coral orange, and purple for United Way.



### INCITING ACTION

The #UNIGNORABLE platform was launched with United Way's largest integrated campaign to date. Building on a tradition of art as activism, using custom art by Malika Favre to represent the eight issues, #UNIGNORABLE came to life through film, video, social, out-of-home, experiential events, merchandising partnerships and direct mail.

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The direct mail campaign reached 200,000 addresses. Each mailing concentrated on a different campaign issue, with stories chosen to align with video assets. In future, United Way hopes to further personalize

COUNTRY: Canada | AGENCY: Taxi, Toronto | AGENCY TEAM: Executive Creative Directors Alexis Bronsrogh, Kelsey Horne | Assistant Creative Director Marc Levesque | Designer Rasna Jaiswal | Illustrator Malika Favre | Senior Integrated Producer Cherie O'Connor | Producer Content Producer Juan Digbo | Group Account Director Adam Ball | Account Director Leigh Anderson | CLIENT: VP, Head of Strategy Director Adrienne Clarke | VP Communications and Brand Strategy Louise Bellingham

IDEAS FOR INCITING ACTION

direct mail  
neighbourhood

For one of the Pantone – highlighting of the message. "An estimated 1.2 million homeless on we can't ignore to life the story changed by 10 years living donors were Local Love" an online at uwe also drove to o how United Way

### RESULTS

An investment brand and a focus provided to be delivered strong effectiveness and

> Greater Toronto North America \$110 million.

> Paid media delivery excluding direct

### Case Study

Inciting Action Letters and brochures printed in the Pantone were potential donors the stories of been helped mailings read and encouraging phone or online

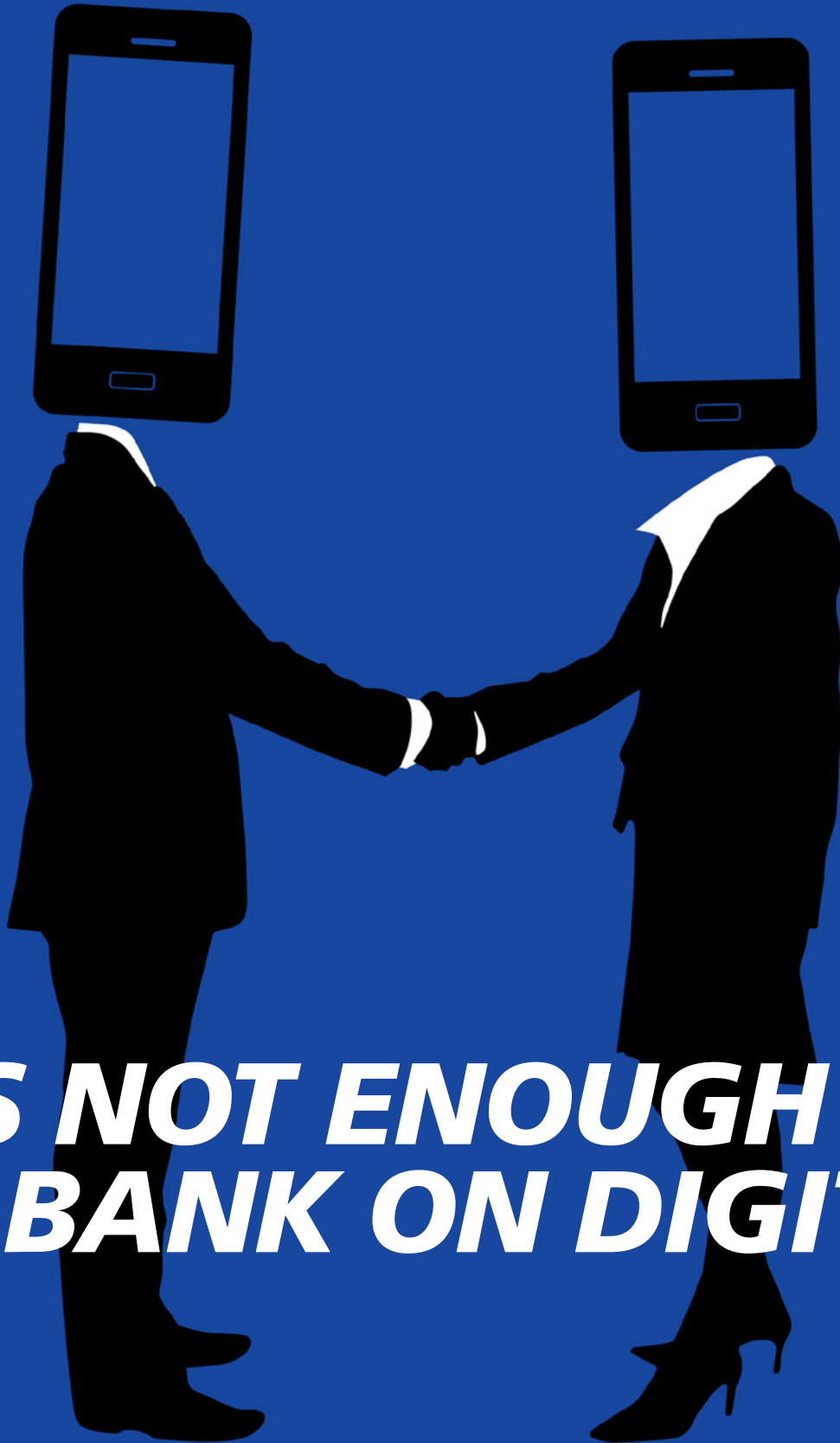
### Results

The integrated campaign over 218 million helped raise amount for U in the world.

# YOUR SUCCESS STORY BELONGS HERE

INCITE showcases the best use of direct mail in marketing from around the world. Submit your success story to **INCITE** at [canadapost.ca/incitesubmissions](http://canadapost.ca/incitesubmissions)





***IT'S NOT ENOUGH  
TO BANK ON DIGITAL***

Here's where we examine the heartbeat of an industry sector and unpack what this means to marketers. In this issue, we'll be talking financial services – a big category that's relying on technology to win, with consumers who are looking for transparency, trust and financial literacy. We'll look at the hits and the misses, and where the opportunities lie for marketers to shape future value.

## INDUSTRY OVERVIEW

### SECTOR GROWTH

Over the last ten years, the top 1,000 banks worldwide have all gotten bigger, more profitable and better capitalized. It's no different in Canada, with the big five recording strong profits year over year. However, the Canadian domestic banking market is flat. As a result, the big banks are finding their profit in wealth management and by growing overseas business. Like many categories in Canada, the banking sector is crowded. Canadian debt loads, the housing market and the growing income gap make it hard for big banks to compete, typically trading market share between themselves quarterly.

### CHANGING NEEDS

The four-generation workforce, increased mobility and the gig economy are impacting how people work and get paid. These shifts are putting pressure on conventional banking rules and regulations for account opening and loan and mortgage qualification. The changes also impact the kind of financial advice people are seeking. According to J.D. Power, younger Canadians are more likely to get inconsistent service levels, and they're also exploring peer-to-peer and FinTech bank alternatives. To offset the costs of an aging population, insurance – particularly life insurance – needs to attract new customers. The future of work also puts pressure on how banks will adapt to changing dynamics around meaningful work, employee satisfaction and the role of automation.

### DIGITAL BANKING

The race is on to lead digital banking in Canada. Today, 88 per cent of Canadians bank online, with nearly 50 per cent using their smartphones for finance-related activities at least once a week. Canadians are using mobile banking for the day-to-day tasks, and are increasingly using mobile to complete more complicated transactions like getting a mortgage or accessing new products.

### PHYSICAL BANKING

Physical banking is changing in Canada – moving away from the teller wall and refocusing on less traditional spaces. This means more self-serve options, more information assist and a broader focus on advice. Some banks are also offering customers additional value through lounge areas, work stations and coffee shops – to bring them in and keep them engaged.

### PAYMENTS

Payment continues to be one of the most competitive areas of banking, reshaping how we think. Changes in the way people make payments are resulting in more credit card alternatives. With the benefit of interest-free payment plans, Canadians are also getting easier access to spending. Disruption in this space continues, with new ways to broker payments between individuals as well as businesses – particularly in the peer-to-peer banking and e-commerce spaces.

### WEALTH MANAGEMENT

Wealth management continues to lean into niche audiences, and also leads the way on transparency and product rationalization. It is the banking sector's best-performing category. Wealth managers are broadening their services to take into account greater inter-generational wealth transfer and financial preservation for an aging population. Younger people are starting to manage their wealth earlier, and are attracted to brands like Wealthsimple, which offers a transparent, supportive and very human view.

### FINTECH EFFECT

Software is taking a piece out of banks. Today, fintech and non-banks like PayPal are mainstream competitors for traditional banks. They represent the rising tide of new business models, cultures, operating strategies and technology – disrupting the way banking has been done. Ahead of the curve, they are meeting the new needs of Canadians. Fintech companies need to scale as quickly as big banks need to innovate. It's a win-win for the customer.

### ADVICE

According to the J.D. Power *2019 Canada Retail Banking Advice Study*, Canadians want financial advice on investing and quick tips to handle their money better. They also want to know about their financial situation. The study points out that satisfaction in banking advice has dropped two points in Canada, with the biggest gains to be made in digital, where advice is lacking.

## RISK DRIVERS

For big banks the risks come in many forms. Outside of policy and data security, here are the biggest challenges to winning and keeping customers:

- › Open banking services
- › Customer experience
- › Product and price commoditization
- › Digital leadership
- › Trust in financial advice

## THE CANADIAN BANKING CUSTOMER



**60%** have switched institutions due to fees



**65%** deal with more than one financial institution



An average of **\$220** in annual fees and seven financial products



Average banking interaction frequency per month is **16x**



Lower mobile banking penetration than global average



**Millennials** less loyal to banks and likely to have lower net worth over time



Describes the relationship with their bank as **transactional**

## TRENDS AND FUTURES

### ALTERNATIVES

- › Google, Apple, Facebook, Amazon [GAFA] platform brands are starting to compete in the banking sector and younger people will choose them for more tailored and responsive service.

- › Cloud adoptions and migration will continue to change the competitiveness of big banks.
- › Digital wallet and payment processing will keep increasing cashless mobile buying.
- › Partnerships will carry on increasing innovation, filling in capabilities gaps and lowering costs.

### CUSTOMER EXPERIENCE

- › Chatbots and IM will evolve to integrate with digital banking services.
- › Retail physical banking is becoming more comfortable and consultative.
- › Enhanced phygital branch experiences will decrease friction for the user.
- › Selfie-image, face-authentication software will offer greater security with less friction.
- › AI and machine learning are going to increase computer-service interaction and lead to more accurate prediction of customer behaviours.

### EMPOWERMENT

- › Personalization will increase customers' return on data and facilitate custom marketing, products and services.
- › Open banking means information is an easy plug-in with fintech companies, helping people take more control of their money.
- › Banking will increasingly piggyback on other types of retail outlets, lowering costs for people.
- › Integrating financial management with banking services is helping people to be smarter with money.
- › Apps are emerging that help book a spot in line and make appointments in physical retail.

# INCITING ACTION

## MEDIA CHALLENGES

- › This is a mature industry that struggles with efficiencies.
- › Financial institutions are looking to lower cost per acquisition [CPA].
- › The sector is focused on quantity of impressions and sign-ups.
- › The industry struggles with content relevance and how to best use social.
- › Banking spending in print and TV has increased [2017].
- › There are few tangible opportunities to build relationships outside of branches.

## MARKETING CHALLENGES

- › Share of wallet
- › Personalization
- › Image and sentiment
- › Empowering financial literacy
- › Retention rates

## IMPLICATIONS

- › Trust is more important than it's ever been to growth.
- › A digital-first approach is not enough to win and hold onto customers.
- › Physical presence is important to brand relationships.
- › In addition to acquisition, competitive, fragmented categories with high switch rates need to find ways to increase retention.

## DIRECT MAIL OPPORTUNITIES

- › Amplify and improve the quality of digital and mobile conversion.
- › Build trust through customer service, relevant advice and financial literacy information.
- › Compensate for no-to-low physical branch presence with in-home presence.
- › Reduce the transactional nature of relationships with customers by creating emotional connections.
- › Help people relate to their financial lives with customized annual reports.



# ***PUTTING CUSTOMERS AT THE CENTRE OF MEASUREMENT***

IN OUR LATEST Q&A, WE EXPLORE THE RELATIONSHIP  
BETWEEN MEASUREMENT AND CUSTOMER EXPERIENCE [CX]. >>

These four experts weigh in: Andrew Weir **[AW]**, Salesforce Consultant at PwC, Karen Opas **[KO]**, User Experience Manager at Canada Post, Simon Conlin **[SC]**, Multimedia Solutions Consultant and Tyler Serr **[TS]**, Commercial Creativity Officer at FieldMarshal.

### **WHAT IS THE CX COST OF SAYING “IT DIDN’T WORK”?**

**AW** To me, that could signal a disconnect between campaigns and strategy – and flag a challenge with managing change. Saying it didn’t work leads back to business as usual, and all too easily dismisses the importance of customer centricity. That could be a huge blow if competitors are already acting on customer insights.

**KO** It depends. Has the business researched the campaign or product with customers to find out why the results weren’t what they hoped for? One of the best CX fashion vertical retailers in North America has a badly designed online shopping site. They

might say their digital retail isn’t working – that customers aren’t interested in online shopping – but they’d be ignoring the dissonance between amazing in-store experiences and the disappointing e-commerce platform.

**SC** A fear-of-failing mindset can be dangerous to growth. Embrace the cost of failing, because we should all be planning to fail and learning from it! Be prepared to FAIL HARD, FAIL FAST, FAIL OFTEN, because it’s the only way to evolve and grow [think agile iterations]. Also, how can we know for sure it didn’t work if we’ve only tried it once?

**TS** The scary idea of failure being a fait accompli comes to mind. Can you imagine creating or designing anything of value with this mentality? I don’t think you can create great customer experience if you aren’t willing to look hard at the why and the how of something not working. Ultimately this mindset shortchanges the customer experience because it means you aren’t evolving with the user or thinking about it as a system of many ideas, feelings and interactions.

### **HOW CAN YOU BALANCE RISK AND ROI WHEN EVERYONE’S LOOKING FOR CERTAINTY?**

**TS** I don’t think there’s anything wrong with wanting to know something will work, especially with the pressure marketers are under today. But marketing should always be risky business. Fear leads us to overcompensate and over-engineer for certainty. It distracts us from investing in the fundamental work of marketing for impact and keeps us in an artificial comfort zone. Certainty has its place, but so does confidence. Embedding risk into defining objectives and KPIs goes a long way to inspire marketing confidence and effective creativity.

**AW** I think the equilibrium shifts depending on tech maturity. An early-stage company might view investing in new metrics as high risk for

a customer-led campaign. At a later stage, technology can frame a critical set of roadmap capabilities, rather than being viewed as tactical risk. For a mature company, the rewards of risk come in stepping outside of what’s measured regularly and focusing on e.g. a new product launch, or introducing fresh talent in areas that previously underperformed.

**KO** Businesses need to build some risk into their marketing strategies. And they need to manage it. Shiny, new tech creates a lot of FOMO, but being first in is expensive and doesn’t always deliver the best ROI. The bulk of marketing investment should be in tested strategies that work. But, set aside a portion of the budget for riskier marketing strategies and platforms – an amount that you can

afford to lose without hurting the business. It’s important to know the actual cost of effectively launching what’s yet unproven. And, understand in advance how you’ll measure the campaign’s effectiveness. Plus, research, research, research after the fact to see why it worked or didn’t. Our gut feeling isn’t as reliable as we’d like to think.

**SC** All investment is calculated risk. Focus instead on the return. Canada needs MORE risk! There, I said it. Certainty is safe, with the danger of being boring! When you’re seeking eyeballs, buzz, impressions, reach and engagement, you need excitement, allure and uniqueness. These elements can ultimately lead to brand affinity, loyalty and word-of-mouth referrals.

## HOW DOES CXD LEAD TO MEANINGFUL MEASUREMENT?

**TS** Measure the effectiveness of how a brand delivers value in customer-centric terms across the ecosystem. [I'll stop there, because I give full props to Simon for his impassioned version of this answer].

**AW** We must revisit how and where we listen. What questions do we ask? What are our priorities? Without that introspection, we can't adopt a customer-

centric lens, and developing the lens is a learning experience. Let's move away from touchpoints, and measure the customer journey. Be aware that your product roadmap may change as you prioritize what's important to customers.

**SC** Experience is everything. Listen to your audience, to potential customers and loyal customers. Clicks? Likes? Views? Follows?

Open rates? They don't count for much of anything compared to how an experience makes you feel. Measure emotion. Measure the smoothness of a branded experience. Measure the lack of friction and frustration at every consumer touchpoint. If your CX or UX is broken, listen to your audience, ingest and then implement fixes.

## WHAT ARE THE PITFALLS OF CHANNEL-LED MEASUREMENT?

**TS** In the time of mass media, the role of channels was finite and audiences more homogenous. Today, channels have fuzzy edges, and creative vision plays multiple roles for a brand – in marketing, sales, customer service and entertainment. A channel-led approach misses out on the dynamics between goals, audience and content, and fails to account for how you use a channel.

**AW** A narrow view on channel risks obscuring the greater customer journey. One channel might touch multiple journeys, and mean something different at each point – for example, an exchange of service on Twitter compared to playful meme content. These are very distinct, and each carries its own risks and life cycles.

**KO** It's easy to misunderstand your customer's decision tree – especially when trying to determine long-term engagement. The number of customer touchpoints has increased hugely. The traditional marketing funnel is now better described as a maze. Businesses and organizations rarely have the data and back-end software capacity to link all their customer touchpoints and fully understand the customer journey. From a customer POV, your touchpoints are holographic, with several points of information and experience giving them the picture of your business. Some influential channels may end up being invisible, because they aren't easily measured – or are very long tailed.

**SC** Loss of opportunity. Agencies and brands are scrambling to adapt against a backdrop of user-generated content. Some digital marketing can be beyond measurement, or ahead of its time. Some memes become prematurely popular. A hilarious online video recently surfaced of a person trying to put gas into a Tesla. It was PG content and had 250+ million views on Facebook in just a few days. What if a brand – say Esso, Petro-Canada, Sunoco or Husky – had the foresight and chutzpah to sponsor a video like that? Fortune favours the brave, my friends!

## WHAT'S THE BEST WAY TO MEASURE IRL EXPERIENCES?

**AW** Ideally, we should be focusing on integrating physical experience by measuring the journey. How about also tracking where the physical experience fits into the journey? Track and log attendance on the ground and monitor social sharing. Connect the dots; understand and carefully map out what fits where in the overall story. Don't treat technology with a disproportionate degree of privilege. It can be risky. We need to rethink and restructure how those face-to-face brand experiences play out.

**TS** I don't see why physical experience can't employ the same techniques as ad tracking and online engagement tracking. Digital lives everywhere now. It also comes down to how, in terms of physical experiences, you define the strategic role and value of the store, the event or media itself.

**SC** Future-proof thinking. Sounds simple, but it can really depend on location. There are practical, experiential, affective, meaningful and valuable aspects of interactions [human-to-human, human-

to-computer, human-to-product, human-to-location]. Beyond data, home shopping – e-comm or m-comm – can be a challenge to measure. But what about a brick-and-mortar smart retail location, a digitized pop-up store, a wired trade-show booth or a brand installation? In smart stores, there are multiple ways to monitor activity and even purchase intent. Retina scan purchases may be a thing of the future, but a person's emotions, triggers and attitudes to using a particular product, system or service will soon become our focus.



# PERFORMANCE OF A LIFETIME? IT'S ALL ABOUT THE CX FACTOR

When we talk about marketing performance, isn't it about time we stopped obsessing about return on investment [ROI] and started thinking about return on experience [ROE]?

As more products and services compete on an equal footing, our marketing mindset needs to move in the direction of ROE. It's something we can't afford to ignore as customer lifetime value [CLV] takes priority, as digital and physical channels become increasingly entwined and as DTC marketers compete to differentiate their brands.

In their groundbreaking book, *The Experience Economy*, Joseph Gilmore and James Pine point out that experience design [CXD] leads to greater economic returns. Ultimately, it's a focus on tangible brand building through a customer-centric lens across the customer journey that leads to higher performance.

CXD improves price elasticity, reduces discounting and increases revenue per customer – along with boosting customer retention and CLV. On top of all that, designing through a CX lens reduces the number of interactions required to generate a response. And, right there, you've found your wow factor!

There's no denying it can be hard to bring together marketing and CXD – particularly in direct marketing, where the focus has traditionally been on sales conversion and the call to action.

Creating customer-centric direct marketing requires us to unite customer experience and response to build experiences that sell.

Direct mail is primarily an effectiveness medium, so why do we insist on measuring efficiency metrics as a priority? ROI and CPA [cost per acquisition] are both measures of efficiency.

Today, there are many ways to design for response that aren't all about the call to action. Tracking and measuring are essential, but the idea of response should focus on the human experience first, and it needs to respect the time and space of the recipient, who is making the connection with your message in their home.

Using experience design frameworks and principles is a great way to ensure you are designing for the response you want in a way that creates value for your audience.

## THIS QUADRANT IS GREAT FOR EXPLORING HOW YOUR BRAND IS GOING TO CREATE AN EXPERIENCE WITHIN AND ACROSS CHANNELS

It can help connect marketing and media to the customer journey. Focus on one, or activate all four.

I passively absorb a form of entertainment that holds my attention.

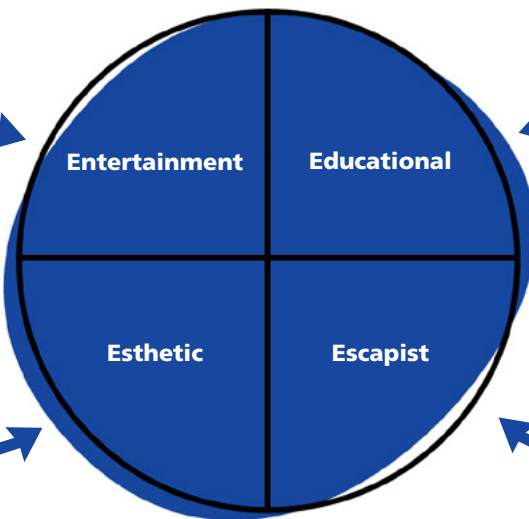
**WHAT WILL HOLD THEIR ATTENTION?**

**Passive Participation**

I passively immerse myself in an event, object or environment with influence over it.

**HOW DO YOU WANT PEOPLE TO FEEL?**

**Absorption**



**Immersion**

I actively absorb in gaining understanding, knowledge, skill that engages my mind through interaction.

**WHAT KIND OF PARTICIPATION WILL INCREASE UNDERSTANDING?**

**Active Participation**

I actively immerse myself in activity and influence the outcome.

**WHAT ROLE DOES YOUR AUDIENCE PLAY?**

The Four Realms of Experience, *The Experience Economy*, B. Joseph Pine II and James H. Gilmore



# SETTING THE STAGE FOR PERFORMANCE

USE THESE CXD PRINCIPLES TO INCREASE EFFECTIVENESS

DESIGN DIRECT MAIL TO INCREASE ROE

## THEME THE EXPERIENCE

Staging the brand as an experience makes you more consistent and distinctive.



## BRAND-BUILDING X ACTIVATION

Use direct mail to create a brand-building experience, not just conversion.

Think about how the format will support theme execution.

## HARMONIZE POSITIVE CUES

What positive brand cues can amplify the experience? Are they relevant to the goal?



## EMOTION X EXPERIENCE

How can direct mail amplify positive cues in the right moments in the customer journey?

## ELIMINATE NEGATIVE CUES

What are the negative brand experience cues that you need to remove?



## EMOTION X EXPERIENCE

How can direct mail help decrease negative cues at the right moments in the customer journey?

## MIX IN MEMORABILIA

Create tangible artifacts to remember and share.



## PHYSICAL X MEMORY

How can direct mail act as a tangible artifact that increases brand intimacy, memory and retention?

## ENGAGE THE SENSES

Sensory stimulants are powerful devices to enhance the theme and increase immersion.



## PHYSICAL X EMOTIONAL

How can sensorial elements enhance the experience of direct mail?

## DESIRED RESPONSE

- > Empowerment?
- > Make their day?
- > Increase anticipation?
- > Trigger a memory?
- > Hold attention?
- > Increase attachment?
- > Foster appreciation?



## EXPERIENCE X RESPONSE

What does the experience need to do within the customer journey or media mix to achieve the desired response?

## MEASURING WITH HEART

Define your primary ROE metrics against concrete goals and using these dimensions.

Source: Google H.E.A.R.T Framework for ROE





# **MEASURE LESS**

## **THE FALLACY OF DIGITAL MEASUREMENT**

Dan Hocking, Head, PM Office, Ogilvy U.K.

We're measuring things that don't matter – and then wondering why our opportunities aren't bigger. I feel for the incredible digital analysts on my team. Their foresight ends up being wasted every time they're asked to report on the engagement score or the number of likes on a piece of content.

In the early days of digital, we had an advantage over other channels because we alone could measure in real time. We didn't have to rely on a media owner. It meant we had all kinds of insights and could prove success immediately. The problem is, we've taken that advantage and thrown it away by creating and embracing measures that are disconnected from real marketing.

***“What do we need to change about the way we measure success? We need to measure fewer things, and measure them less frequently.”***

By spending years focusing on views, clicks, likes, comments and engagement, we've built tools and methodologies that don't play back to business-level metrics. We want digital to play a bigger role, but we don't demonstrate how we support broader business goals.

We've created an industry of false promises and fake success, and wonder why we're left in a space where the brief is too often, “How do we amplify the TV campaign/idea?” It doesn't help when a prominent technology platform pitches clients to augment TV buys with incremental reach, rather than replace them.

I'm going to share a little secret. Where coverage of bought media is concerned, most of the measures of success are based on dubious data. A few hundred households here and there determine the success of TV coverage across the nation – despite the fact we know people step away from their TVs during ad breaks.

We can't measure coverage on recorded TV. Radio coverage is much the same – group sizes of less than 2,000 people indicate total listeners. Print circulation is based on copies printed rather than sold. OOH is based on approximated footfall and traffic measures. The list goes on.

Essentially, we're guessing at how many people see things outside of digital. We all know this data isn't exact and, to be fair, people don't always claim it to be, but this is the kind of data that ends up in econometrics modelling, for example. However, the number of people who see something is still important and, in the absence of a better way to measure exactly who has seen what beyond digital, we have to accept the shortcomings.

So, we accept that, for us to be effective, people need to see what we've done. And we believe that the work we're doing is creatively strong and effective. What do we need to change about the way we measure success? We need to measure fewer things, and measure them less frequently.

Align with brand or business metrics, run the campaign and measure the impact on awareness, consideration, penetration, sales and retention over a long period of time. Just the way you would do with other media channels.

As with any other channel, you need enough reach and frequency to make an impact. And don't waste money on creative if you can't put adequate budget behind your digital elements. They need to be seen by as many people as possible. It's essential to be in this for the long game.

Apart from reach, don't be afraid to ignore all of the short-term digital metrics. Having a long-lasting impact over a 24-hour period is a once-in-a-blue-moon moment. Trust in long-term planning and long-term measures.

It's rare that you tell someone in digital to ignore all of the data at their fingertips and slow down when it comes to measuring success. But I'm asking you to do precisely that, and to think carefully before you decide what to do next. If we don't take the time to discover if our actions had a long-term impact, we'll never be able to prove our worth.

With the kind permission of Dan Hocking, this article has been adapted from the original, which appeared on [medium.com](https://medium.com).



Dan is a Canadian ex-pat living in the U.K. In his role at Ogilvy U.K., he drives the adoption of professional delivery, operations and program management throughout the agency to create the right environment for better results. Dan has worked in agencies in both North America and the U.K. – most recently at social media agency Holler [part of Leo Burnett], where he helped clients like McDonald's, UBS, Mercedes-Benz and Red Bull.

# ***DIRECT MAIL TRUE STORY!***



## INCITER HOW-TO

In his 2017 book, *Reengineering Retail*, Doug Stephens argues that the industrial-age metrics of comparable growth by store, sales per square foot and gross margin return on investment [ROI] tell an incomplete story of a physical location's value and contribution to the business. Judging a store's performance simply by regarding its most recent sales results is like evaluating a patient's health by asking what they had for breakfast that day. It makes no sense. He goes on to say that he thinks the only meaningful value in the future for a store is its media value.

Consider the same argument for direct mail, adjusting for comparable metrics like cost per acquisition [CPA]. It mirrors precisely the pressure direct mail is under to prove its performance.

Like any other channel, we should only be judging the performance of direct mail on media value. But instead, we keep scoring it on cost.

Digital might be considered cheaper [more efficient], but it has a lot to prove in the effectiveness department, especially as efficiencies reach diminishing returns and email conversion rates get softer. A recent U.S. study by Merkle showed that, while digital marketing spending increased by 34 per cent in 2018 and cost per click increased by 30 per cent, there was only a 3 per cent increase in actual clicks.

To be fair, all media – digital or otherwise – are tools that need to be judged on their value rather than their cost, particularly as the term digital becomes less meaningful in a landscape where all traditional media also show up in digital channels. Mark Ritson, a professor of marketing, uses the Effies Advertising Effectiveness Awards data to explain that Gold winners use seven or more channels, while Bronze winners use four. His point is that if you want to have an impact today, you need to use the whole toolbox.

If you want to make an impact, consider what direct mail has to offer:

- › Qualified reach
- › Widespread attention
- › Personalization
- › Brand-building response
- › Shareability

If we keep looking at direct mail from a cost perspective, we'll never be able to see its real value.

To capture the true story about how to measure the effectiveness of direct mail, we asked real marketers to share with us what it takes to measure the value of direct mail and prove its worth.

### EFFECTIVENESS VS. EFFICIENCY

Both marketing effectiveness and efficiency contribute to performance, but they are not the same thing. When we talk about marketing performance, it requires definition. Effective marketing contributes to achieving goals and to the profitable commercial growth of the company. Efficiency is about how inexpensively or quickly you can do it.

## WHAT IS BRAND RESPONSE?

Brand response is combining brand marketing or brand building with activation or direct response marketing. You aren't separating them into different communications channels. Today you need to be able to build brand and convert at the same time.

As all media move toward direct response and more DTC brands emerge, brand response is integral to competitive

advantage in a sea of choice. What a brand means, the value it creates, how it treats its customers – all align to generate the response both mentally and behaviourally.

Content has become the main conduit to brand discovery and engagement. Content must be able to brand build and contribute to conversion at the same time.

#### GOLDEN AGE

Brand or Response:  
When marketing did one or the other but activities were never co-ordinated.



#### LAST 20 YEARS

Brand and Response:  
An integrated campaign that aligns brand building and response through above-the-line and below-the-line activities.



#### TODAY

Brand Response:  
Brand building and response are fully integrated across the ecosystem of communications and promotion.

**BRAND HELPS YOU CHOOSE AND DIRECT RESPONSE HELPS YOU BUY. IF THREE BRANDS ALL REACH THE RIGHT AUDIENCE AT THE RIGHT TIME WITH THE RIGHT MESSAGE, IT'S BRAND THAT WILL INFLUENCE RESPONSE.**



## **CONFESSIONS OF A DIRECT MARKETER**

If you're running a direct marketing campaign, you're likely to feel the pressure to focus on ROI. However, direct marketers know there are many variables to consider when measuring performance, and they're all dependent on what you want to achieve and how the selection of media channels fits into the mix.

Imagine this:

The CEO calls you for a meeting without notice. The company is looking to save some money, and they have noticed your mail acquisition program costs a lot of money. They've told you that they are cancelling the mail program and have asked you to replace it with digital instead because it's cheaper, right?

But wait.

You know your program inside out and you're convinced that a multichannel approach works. Mail is an essential part of that success. Your mail program acquires quality leads and will bring millions of dollars to your organization in subsequent years. You feel strongly that ditching direct mail is a bad business decision, but you don't have the numbers to prove the effectiveness of your acquisition program.

You know the response rates, conversion rates, cost per acquisition, revenue per order and, of course, the ROI. None of these KPIs will help you in this instance. To defend your marketing program, your reputation as a marketer and to future-proof the company, you need to prove the opportunity cost of replacing mail with a digital-only program. What you need to know is your customer lifetime value.

Pause.

Now you're kicking yourself. You're smarter than this. You should have made the time to track customer LTV. You've been over-worked, you lack the resources and your data team can't find the time to help you out either. And, let's face it, measurement has a reputation for being complicated. Come to think of it, is your program even set up to measure customer LTV? It's time to call for help.

You send out an SOS.

Knowing how important this is to the overall business, your agency works with you to figure this out. The numbers come back and tell the exact story you knew they would. But it's a story you weren't able to stand behind without validated metrics.

Cancelling your mail acquisition program would decrease revenue by eight per cent next fiscal and 50 per cent within the next five years.

You now have the confidence and the stats to defend the value of direct mail within the marketing mix. You know too that a focus on efficiency metrics shouldn't dictate the company's decision making. Customer lifetime value will most accurately measure the success of your direct marketing program. We cannot lose sight of this.



## **LESSONS LEARNED**

- › Refocus on key performance indicators that ladder up to commercial objectives and prepare your business case to steer the conversation towards value and away from costs.
- › Don't get put on the spot. Bring your finance, data and agency teams together to ensure alignment around the analytics and tracking that will support important measures during marketing and communications planning.
- › When you concentrate campaign efforts on ROI and CPA, you run the risk of creating a fragmented and less effective marketing campaign. If you add effectiveness metrics into the mix, you're setting everyone up for success.
- › Direct mail can generate higher-quality leads and more valuable customers cost effectively, in a way that CPA can't.
- › Marketers work hard to grow and retain their customer lists. If you don't feed your customer base with direct mail and digital outreach, your customer numbers and your revenue will inevitably be diminished.



## HOW CATALOGUES ARE PROVING THE CASE FOR DIRECT MAIL EFFECTIVENESS

There isn't a more relevant example of direct mail effectiveness than the resurgence of the catalogue [although the name doesn't do justice to its modern reincarnation]. It's the perfect complement to digital content, e-commerce and physical stores.

What's at the heart of the resurgence?

- › People simply have less time to go to physical stores to browse and discover.
- › Look books, style guides, wish books, lifestyle publications, handbooks and magalogues differentiate themselves in oversaturated digital spaces, attracting attention and turning digital discovery into exploration.
- › Catalogues bring brand and conversion into perfect harmony by providing an emotional and physical primer for brand response.
- › Direct-to-consumer brands with small-to-no physical footprint benefit from this extension of store experience with a complementary physical presence.
- › By delivering premium content across channels, brands can amortize physical and digital production costs and elevate the quality and efficacy of assets.
- › Catalogues benefit from the new, aspirational relationship people have with mail thanks to e-commerce and subscriptions.

Catalogues have the power to create highly visual and engaging marketing. Just ask Amazon [digital-pure-play-goes-analogue], IKEA [picture-my-new-home], Canadian Tire [wow-me-and-take-me-online], Holt Renfrew [rise-above-the-crowded-luxury-market] – the list goes on. Whether you're dropping a mini-catalogue before peak season or using a gift guide to take the sting out of searching, there's a format that suits your brand goals.

▼  
When Lands' End cut catalogues, it lost \$100 million. The company later discovered that 75 per cent of customers making purchases had first reviewed the catalogue.

## FROM PIXEL TO PAGE – WHY CATALOGUES ARE THE NEW INSTAGRAM

According to Business of Fashion's [BoF] Cathaleen Chen, digitally native, direct-to-consumer brand NakedCashmere found its first customers through ads on Instagram. But for its latest sales push, the company turned to paper catalogues, sent through the mail. The payoff amounted to seven times the initial investment.

BoF claims that there's been a catalogue rebound in the last couple of years, mainly from online brands, which now fill millennial mailboxes. Chen says marketers see mailings as a low-cost alternative to advertising on search engines and social media, where costs have risen as more companies look for new customers online.

Speaking with BoF, Colin Nagy, head of strategy at creative agency FF New York, says of the catalogue, "Beautiful storytelling around the product allows consumers to go much deeper than a digital transaction or being retargeted when they're surfing the internet." Catalogues have become trusted advisers rather than product promoters.

**Maximize mailing lists:** Make the most of your mix. Chen suggests splitting lists into target segments, not unlike customer "pools" on Facebook and Instagram.

**Mail repeatedly:** Mail service provider Donna Belardi believes catalogue mailings are a mix of art and science. The average small-to-medium-sized direct-to-consumer business mails out two to four million catalogues anywhere from six times a year to every month. Conversion doesn't always come with the first mailing. It could be the second or third catalogue that finally lands the purchase. This is where customer experience design [CXD] comes into play.

▼  
In an attempt to go online and reach customers faster, Nordstrom stopped mailing rewards notes to its loyal customers, and in-store foot traffic suffered. Earnings forecasts had to be adjusted.

**Become bespoke:** Data is the new catalogue. Used respectfully and intelligently, it can help create personalized experiences based on demographics and buying patterns. Tailor offers to purchase behaviour, use signals to reward high spenders with timely offers or encourage shoppers to revisit abandoned carts.

**Measure twice, cut once:** Test for success, measure against objectives and adapt accordingly. According to BoF and Belardi, among new customers the average catalogue conversion rate is one to two per cent, compared with four to five per cent for existing customers, "A sophisticated direct mail program can yield four times on investments. At the end of the day, it really is a very cost-effective channel."

So, call it a look book, style guide, wish book, lifestyle publication, handbook or magalogue, this is a touchpoint shoppers want to actually touch. And, the beauty of a catalogue is that it's a perfect collection of insta-worthy moments captured in print that can be more vibrant and engaging than Instagram itself – avoiding that moment when millennial pink turns out to be mom's magenta.

Done right, a catalogue elevates your brand and amplifies the way your other marketing and sales channels focus on brand response.

Will your catalogue measure up?

## AS A MATTER OF FACT...

▼  
According to Kathryn Gallagher Morton, President of Maplelea [Canadian Girl Dolls], "You have to closely watch your metrics. It can cost \$1-\$1.50 when someone just clicks on an ad. Yet for about the same amount, I can get a catalogue into their home where it gets held and read."

# DATAGRAM

## DIRECT MAIL WELCOMES MARKETERS TO BETTER RESULTS



Direct mail leads direct media response rates, having increased over 2017

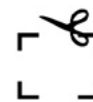
Source: ANA/DMA. *Response Rate Report 2018*

### POPULAR WAYS TO MEASURE RESPONSE



**53%**

Online Tracking



**45%**

Code or Coupon

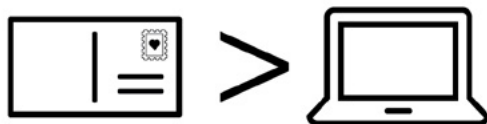


**41%**

Call Centre or Telephone

Source: ANA/DMA. *Response Rate Report 2018*

**55%** of the time, postcards outperformed email in tests



Source: USPS Office of Inspector General. *Enhancing the Value of Mail: The Human Response, 2015*

### MORE MOTIVATING

Direct mail's motivation response is

**20% HIGHER** than digital media

Source: Canada Post. *A Bias for Action, 2015*

**5X - 9X HIGHER**

Direct mail pulls a higher response rate than digital direct marketing media [email, paid search or social media]

Source: ANA/DMA. *Response Rate Report 2018*

**12.4%**



The response rate to direct mail among adults 18-21 years of age

Source: DMA. *Response Rate Report 2017*



**3x HIGHER RESPONSE**

Donors are 3x more likely to give online in response to a direct mail appeal than an e-appeal

Source: [mobilecause.com/direct-mail-fundraising](http://mobilecause.com/direct-mail-fundraising)

### DIRECT MAIL DRIVES TRAFFIC IN REACTION TO DIRECT MAIL



**64%**

visited a website



**47%**

visited a store



**54%**

engaged in social media

Source: Swiss Post, 2014 & Royal Mail, 2015



# ***IN THE NEXT ISSUE:***

## **THE YEAR AHEAD**

- Marketing with 20/20 vision
- The Canadian Marketer Survey
- The value of investing in foresight
- The side effects of corporate culture
- 2019 hindsight + 2020 #hacks
- Why it pays to be direct

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