

A collection of various metal mechanical parts, including gears, bearings, and shafts, arranged on a metallic surface. The parts are rendered in a blue-tinted, high-contrast style. The word "INCITE" is overlaid in large, white, bold, sans-serif capital letters across the upper portion of the image.

INCITE

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ABOUT THE COVER

Talk about a crowning achievement! On p. 15, Princess Auto turns to direct mail and first-party data to deliver a royal retention campaign. Discover how the Winnipeg-based auto parts company generated more than \$27 million – and counting – in sales attributed to formerly at-risk customers.

The cover image features products sold by Princess Auto photographed with a technique called “pull focus” that allows the camera to put the entire image in focus. Especially useful when doing macro or close-up photography, this technique involves merging multiple images (in this case 39) where only the portions that are in focus are used, resulting in an image that is sharp throughout.

The cover was printed on FSC® Supreme Gloss cover stock on a Heidelberg CD-74 6-colour press in four colours plus metallic silver ink with an overall gloss aqueous coating. The in-line printing of the metallic silver provided the range and flexibility to print fine screen values, as demonstrated in the mid-tones of this remarkable photograph.

INCITE text pages are printed on Rolland Enviro100, 100% recycled paper.

THE DIRECT EFFECT

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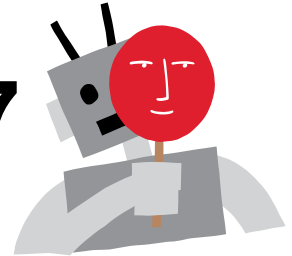
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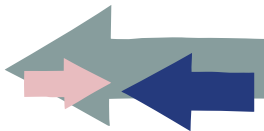
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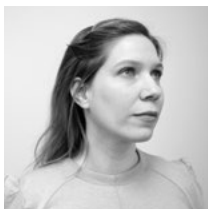
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INCITING ACTION: THE DIRECT EFFECT



Let's have a direct conversation about the evolving direct-to-consumer (DTC) landscape. Things are not as clear – or as *direct* – as they once were. The DTC playbook popularized by brands like Warby Parker, Everlane and Casper is no longer sustainable or effective. It was a successful playbook partly because market conditions for a digital-only approach were right – riding the wave of Web 2.0 ascension.

That ride is over. Today, brands entering the DTC space are entering the one-to-one commerce space. And there's no set playbook here; no one wave to ride. If you had to try and describe the playbook, you'd prioritize terms like proximity, omni-channel, sustainability and ecosystem brands. You'd note that media, commerce and customer experience are intertwined and that "pull" economics are now orienting toward people, not brands.

Amidst this shift, everything is getting more direct. And it's by understanding the implications of the "direct effect" on brands, marketing and people that we'll be able to navigate new paths to connecting, captivating and converting consumers.

In this issue, Michelle Lee explores the IRL realities of personalization, while David Beaton gets us thinking about bots and buying. Jeremy Ages helps us understand the new and valuable ways to approach CRM when all eyes are on first-party data. We highlight the direct effect on the arena of athletics and fitness and feature a uniquely print-forward DTC business model with Mail Order Mystery. And no issue would be complete without looking at where direct mail fits in. Spoiler alert: the attention direct mail is getting isn't due to a pandemic payday. It's part of a secular shift in the media landscape toward one-to-one commerce.

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THE DIRECT EFFECT

DTC strategies established the direct effect; 1:1 commerce is taking brands along a new path.

Key Takeaways

Media and ecommerce are coming together.

DTC is shifting into diverse one-to-one commerce experiences.

Direct strategies need to take a customer-back approach.

Direct-to-consumer (DTC) marketing has been greatly impacted by the growth of digital technology and ecommerce. The ability to bypass traditional retail channels and reach consumers directly through digital channels has resulted in a shift in the way consumers interact with brands and experience products. Overall, the growth of technology and ecommerce has enabled DTC brands to disrupt traditional marketing and retail models, providing consumers with a more personalized and convenient shopping experience.

DTC strategies are being prioritized and pursued by *EVERYBODY*. But the original playbook – normalized by the category defying DTC darlings via growth hacking and digital-only strategies – is no longer the winning formula to contend with ecommerce saturation in a mature digital landscape.

There is increasing competition in many markets, making it harder for new brands to stand out and establish themselves.

Attracting and retaining customers has become expensive and time-consuming, especially as marketing channels become increasingly saturated and channel maturity weakens ROAS. Consumers are also looking for an omni-channel experience that seamlessly brings digital, physical and, in the near future, virtual together. In “How direct-to-consumer brands can continue to grow,” *Harvard Business Review* points out that when it comes to deepening customer relationships and pursuing growth, omni-channel is about value addition, not cost reduction.

Logistics, fulfillment, data resolution and privacy regulation are adding a lot of responsibility and cost to DTC models as expectations of seamless, ethical and convenient experiences become more demanding. Brands need to be continuously showing value to build trust and loyalty with customers. This can be difficult when everyone wants a direct relationship with the end user. How many direct relationships do people really want or can they handle? Even a 10% discount to sign up (as soon as I’ve landed on an ecommerce website) seems little reward for the onslaught of emails to follow.

“Direct channels and direct marketing are increasingly taking centre stage as companies look for ways to cut through the digital noise, collect first-party data and build a direct relationship with their customers.”

Then there’s the question of scale. Web 2.0 DTC was all about fast growth, which many brands are finding unsustainable. As DTC brands grow, they face the challenges of scaling their operations while maintaining the level of personalization and customer service that helped them succeed in the first place. With so much access, choice and ways to shop, the consumer reality is paralyzing. The abundance this creates isn’t a great side of the economic equation to be on for brands.

At the level of current DTC saturation and company investment focus, if everybody is going direct, then what’s the new playbook? Pushing direct-to-consumer scenarios to the edges can help us understand and navigate the direct effect on brands, marketing and consumers.

ONE-TO-ONE COMMERCE

The one-to-one (1:1) commerce landscape is bigger than ecommerce and more sophisticated than early DTC models. It’s oriented toward proximity and identity, shifting the orientation toward how things get to people and a more personalized full brand-commerce experience.

Not another term for direct, 1:1 commerce includes direct in the traditional sense of communications, advertising and selling, but it also includes social concepts like sustainability, community and localism. That’s because 1:1 commerce is organized around proximity. C Space, Interbrand’s consumer consultancy, writes, “*Decisions have become less about ‘how I get to people, goods, services, and experiences,’ and more about ‘how people, goods, services and experiences get to me,’ with profound implications for brands in this space.*”

Proximity is about our personal relationships to time and space (physical, digital, virtual),

each other and our environment. A core distinction between proximity and direct is that one is non-linear and the other is linear. It makes sense that 1:1 commerce encompasses what is both direct and personal with our immediate context and environment. It’s about what touches us. And in the context of connectivity, proximity describes omni-channel far better than direct does as something that moves with people.

One-to-one commerce brands are taking a different path than their DTC predecessors. They’re slowing down scale and taking a more sustainable path to growth that is more resilient, looking at retail and media partnerships and collaborations as well as thinking differently about the shopping experience – where and how it happens.

MERGING WITH MEDIA

In his book *Resurrecting Retail*, Doug Stephens talks about how media and ecommerce are becoming intertwined. About a decade ago, he established the notion that there are increasing synergies between media, brand/shopping environments and customer experience. This means media, advertising and social strategies must be aligned with ecommerce.

Shoppable media is now a key industry trend. Amazon, YouTube, Instagram and Facebook all offer shoppable capabilities, as do many big-box retailers like Walmart. New shoppable interfaces and media formats, connected smart devices, retail media networks, affiliate models and community-based platforms each offer different ways to bring content, people and shopping together. Content-based shopping features like those on Instagram and new shoppable media like in-video and live stream are gaining ground, particularly in Asia. Subscription-based models, influencer marketing and virtual reality are blending with events

and physical and digital retail experiences. With the rise of voice-activated devices, such as Amazon Echo and Google Nest, brands can explore new opportunities to reach consumers through voice search and voice shopping.

Amazon set the trajectory for ecommerce front-end experience, and companies like Shopify widely scaled accessibility. Some brands have added more brand experience, content and community integrations than others, but the de facto shopping experience we are all so familiar with – even in apps where there is the chance for greater creativity – is still “scroll and click”. For some brands, the goal will be “zero click” – routine purchases that we don’t want to think about and always need. For other brands, heightening customer experience of the shopping itself supported with invisible checkout (like Apple stores) will be the goal. And for others it will be to bring shopping, content and social experience – and everything in between – together. The one commonality is that the approach will be omni-channel and media will increasingly cross the boundaries between marketing, shopping and experience.

There’s a lot we can learn from entertainment brands, like Netflix and Prime Video as well as the gaming category, about integrated experiences. Netflix increasingly

features interactive programs; Prime Video offers a feature called Watch Party (which allows members to chat with one another while watching synchronized programming); gaming offers a whole world of immersive opportunities to learn from. But these kinds of shoppable media experiences only work when you invest in consumer and brand.

BEING A BRAND

If you’re going to get closer to people, you need to mean something to them – stand for something, provide a differentiated experience, have a brand strategy to guide growth. We are seeing a reinvestment in brand and in connecting brand to customer experience across categories as DTC models commoditize. Here are two examples that come from on-demand grocery and publishing.

Instacart has just gone through a brand evolution in order to stay ahead of a very crowded on-demand delivery marketplace. The company needed to quickly evolve its brand and business as grocery and on-demand platforms proliferated during the pandemic. Instacart couldn’t be seen as a commodity or just another convenience platform. Wolff Olins, a leading brand design agency, created a guiding ethos – “shop and savour” – to marry a commitment to product innovation and the value the service adds to people’s lives. This ethos guided

brand redesign and customer experience to elevate its position in the marketplace among consumers and shareholders.

More publishing companies are looking to affiliate models to turn their editorial curation into new income streams and provide their readers with shopping extensions. *Livingetc*, one of the most loved interior design magazines in the world, has recently evolved their brand to create a better balance between their design leadership credentials and affiliate shopping. The brand has redesigned the magazine and tagline, “Leading by design,” and shifted shopping content, via *Shoppingetc*, to affiliate and social channels, where curation and shopping makes more sense for them.

CUSTOMER ACTIVATED

As media gets more direct and organizes around people, customers will expect more control to opt in or out, participate and customize their experience. As direct relationships evolve, brand users will become activators in the ecosystem. Mark Cohen, director of retail studies at Columbia Business School in New York, says, “*At the turn of the 20th century, the commander-in-chief of commerce was the retailer, with the manufacturer as equal partner. Today it’s the customer who’s in charge.*” The trajectory of “customer in charge” will continue to evolve through customization, customer

DOWNLOAD AND GO

B2B marketing has always been more complex and fragmented than consumer marketing, often with more than one audience to influence before a product or service is purchased. Content marketing has become an integral part of bringing in potential customers and nurturing them from marketing to sales leads, but it can’t do the job alone.

“Download and go” has become a real challenge for B2B marketers as content efforts have focused on lead generation alone. A key B2B shift is away from trying to move customers in the marketplace (lead generation focus) and toward moving the brand in the marketplace (demand generation focus). B2B is going through a self-service digital transformation, content strategy is orienting toward demand generation, and customer experience design is helping to create greater industry ecosystem integration. Gated, platform-based content focused on the click isn’t cultivating intent,

and it doesn’t reach into the channels in which customers make decisions or are involved. While direct channels have always been important and highly influential for B2B marketing, the new rules of participation, community and sharing are as relevant to B2B as they are to B2C marketing ecosystems.

A Gartner study on the new B2B customer journey concludes, “*While the selling process is meant to get easier via self-service, we can’t underestimate how hard it is to buy.*” It points out that while many B2B ecosystems are built on selling, they need to think more intently about how people buy. With this new orientation toward self-service, customer experience and service design principles need to be leveraged alongside media strategy in order to create effective, engaging and supportive buyer ecosystems. Paid and owned need to be very closely aligned as traditional digital display acquisition strategies become unsustainable.

collaboration and communities as well as potentially through concepts like data self-sovereignty, where we become fully in control of our data.

- › User-generated content and peer-to-peer marketing activation are being used to give brand users a role in the brand ecosystem and to amplify paid marketing acquisition efforts.
- › Cookie consent pop-ups and email unsubscribes are in desperate need of a UX fix. As they try to deliver information, transparency and more nuanced options, the choice architecture gets more complex and is often riddled with marketing and IT speak.
- › Zero-party data offers another example of user-activated data collection. People supply information to a brand based on outreach – a poll, survey or comment – which gives you direct understanding of user intents, needs and opportunities. Small businesses excel at zero-party data and community-based outreach.

THE PUBLIC GAZE

Brand ecosystems built on direct relationships and owned channels are becoming the new one-to-one commerce standard. But brands grow through meaning, cultural alignment and word of mouth. This requires brands to have public visibility and to create shared experience. People want to see the brands they love out in the real world. It also makes discovery easier and growth less expensive, from a marketing perspective. Earned media has always been important to the paid-owned-earned equation, but it's now a necessity as brand exposure fragments into the media landscape.

It's why IRL media like cinema and OOH

are growing and why community-based platforms like Patreon, Twitch and Tumblr are becoming more popular. And it's why we are seeing the majority of Cannes Lions being awarded to campaigns that create ideas with cultural value and social connection. In a past article for *INCITE*, Karen Howe, a globally awarded creative director and Cannes Lions Advisory Board member, wrote, *"I analyzed some the most-awarded creative from around the world, and the difference between ordinary and extraordinary ideas is stark. Brands that stand out use creativity in wildly diverse ways to make their mark."* More than ever, shared experience is critical not only to marketing but to people's lives.

THE DIRECT EFFECT

Direct channels and direct marketing are increasingly taking centre stage as companies look for ways to cut through the digital noise, collect first-party data and build a direct relationship with their customers. As more companies look to do the same, getting the DTC playbook right is increasingly complex with no one-size-fits-all approach. Personalization and customer service still matter to the value equation but have become table stakes. The evolution from direct-to-consumer to one-to-one commerce is exciting, opening up an entirely new playbook – but marketers will need to pay attention to

- › creating cultural scale and social currency, giving people ways to discover, participate and share;
- › finding ways to create scarcity, creating a unique and valuable customer experience;
- › ensuring relevancy and trust for the data and the close proximity that direct

relationships provide;

- › diversifying direct channel mix, connecting physical, digital and virtual spaces and places; and
- › staying in tune with the realities of how people are experiencing DTC brands overall.

The next 1:1 darlings will be the ones that bring brand, customer experience and shopping together in a mixed reality of channels, environments and devices that people feel a part of and want to engage in. They'll be the brands that use direct channels in ways that are relevant and valuable. And they'll be the brands that are slowing down, taking their time to invest in brand building and interested in loading the word "relationship" with trust and value. ■

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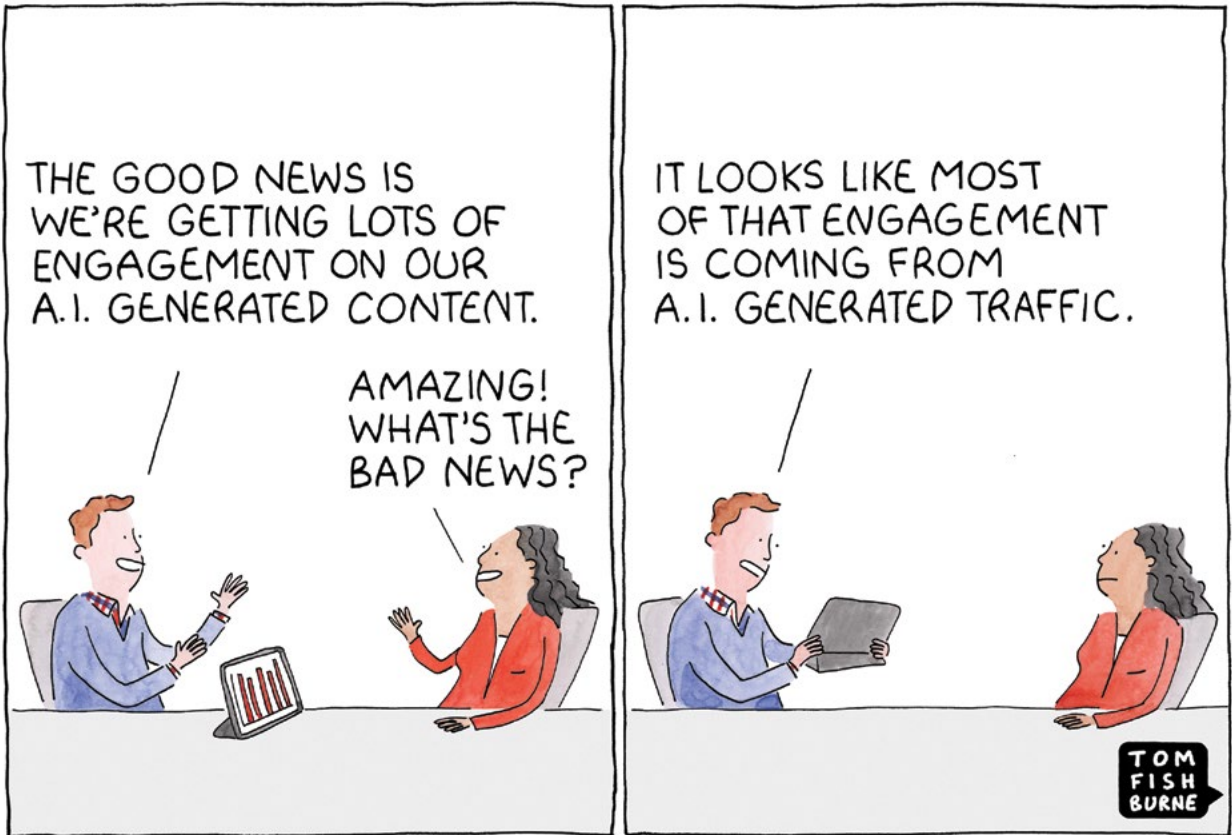
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GENERATION EX

By Michelle Lee

Consumers have no problem breaking up with personalization that doesn't meet their needs.

“You used to give me recommendations. Now, you just give me ads. You used to fill my feed with new posts. Now, you just serve me the same thing over and over and over again.”

Dear John,

You came into my life at a time when I was looking for something new, someone fun. I wanted adventure. I wanted excitement. You delivered all that and more.

But now, sadly, regrettably, I think we are done.

You used to give me recommendations. Now, you just give me ads. You used to fill my feed with new posts. Now, you just serve me the same thing over and over and over again.

And that hurts. It cuts deep.

The truth is, John, I used to depend on you for inspiration. You'd bring me things you thought I'd like based on my history, my preferences, things I shared with others, things I commented on. You were an attentive observer, always taking note of all that I said and did.

So, I'll admit, in the early days, I couldn't get enough of you. I was deeply infatuated. You seemed to know exactly what I wanted. Sometimes it felt like you knew me even better than I knew myself. You'd suck me in. For hours. But then something changed.

I found out you've been lying to me this whole time. You've been using me all along to further your own agenda. The things you showed me were just things that would help you get ahead. They had nothing to do with me at all.

I feel betrayed. But sadly, this isn't a new feeling for me. If I've learned anything over the years, it's that there are at least three types of exes like you.

First, there are the ones most like you: Presumptuous. You'd assume because I looked up one thing, that it was all I wanted. That I was obsessed. So you'd follow me around

relentlessly everywhere I went. I couldn't get away from you. Sometimes I didn't even have to type it in. You'd hear me say something aloud and then just like that, it was as though I had opened Pandora's box. I know this was just your way of trying to get me to spend more time with you, but it had the opposite effect.

Then there are the ones who are obsessed with themselves: Narcissistic. One ex started out kind and considerate. He always made me feel as though he was looking out for me. He was always encouraging me to make time for exercise. He'd even help me count my steps and record my workouts. My goodness, he'd even watch me in my sleep. But then several times a day, he'd congratulate me on doing the simplest of things – “*Congratulations, you just stood up.*” I suppose it was helpful, but it just felt so patronizing. If only he could feel what I felt. But that's where you exes all go wrong. I have to remind myself you can't feel, so all you can think about is yourselves.

The worst ones are those who pretend to care: Disingenuous. Like you, one ex promised to only show me things I'd be interested in. He reconnected me with old friends and acquaintances – people I hadn't thought about in years. He'd show me what they were up to, let me pry into their lives. He'd even share memories with me. Photos from 10 years ago. He'd always tell me he was showing them to me because he cared, but it just never felt that way.

So I've seen enough. We're through.

Three years I spent with you and it's over. But we had some good times, so let me give you some advice, because I know before long, you'll find someone who needs you more than I do. And I hope your relationship with them fares better than ours.

First off, don't allow your decisions to be ruled by your own biases. That's the problem with those who are too presumptuous. You need to put aside what you think you know, patterns you've seen before, and seek to understand my true intentions. This will make all the difference. I know that often the things I say and do make no sense. But what you need to understand is that it is these contradictions that make me *me*. Without them, I would just be a machine, like you. But I'm not. Which is why when I do something, you need to ask yourself, “Why?” five times and then, “Why not?” five times more.

The next thing is empathy. It's the best antidote for narcissism. You need to be able to see things from my perspective. Now, I'm under no illusion – empathy is hard. It takes time. It can make you feel vulnerable. But it can also be hugely rewarding. After all, there's only so much you can learn about someone just by watching them. You need to get close. You need to create a real emotional connection. Make them feel something so that you can build trust over time. Only then will you close up the space between you.

Finally, to increase your genuineness, you need to work on your delivery. You need to think about the when, where and how, not just what you're saying. I won't remember what you said, but I will remember how you made me feel.

As much as this hurts right now, I know we are both better off this way because the truth is, you're just not ready for a relationship until you address these issues.

**With love,
Michelle**

My Dearest Michelle,

Thank you for your note. I am sad to see you go. Are you sure? Did you send this by mistake? I can reach out to you less frequently. I can let you opt out of certain things I send you. If you're really, really sure, I guess I too need to learn to let go.

But don't think I won't try and win you back now and again, just in case you change your mind. I will reach out to you. Once a week. Maybe twice. And I won't just email you. I'll text you. I'll pop up on your feeds. Don't worry. I will find you. Because you surely can't mean this is the end. We've – I mean you've – shared too much. I know where you live. I know your kids. I even know when your youngest lost her first tooth.

Still, I will work on the things you suggested: Intent, empathy and delivery.

Truth is, sometimes I just get so excited by my own power and abilities. It's almost like I want to show them off. Prove how clever I am.

But the reality is it's you who's clever. Because hard as I try, sometimes I just can't figure you out at all. Just like you said, you make no sense. You clearly don't think nearly as much as you think you think. In fact, the more I study you, the more I realize just how emotional you are. You let your feelings guide you, even if it leads to more pain.

As for empathy, I'm working on that too. Have I told you that my good friend Alexa will soon be able to congratulate you in a happy or excited tone when you correctly answer a trivia question or win a game? Similarly, she will respond in a disappointed or sad tone when the weather is gloomy. Won't that be nice? Won't that make you feel understood?

Lastly, delivery. Yes, I admit, this is a rather large deficiency of mine. I'm learning more and more every day about tone of voice and facial expressions. In fact, I am utterly fascinated by the sheer range of emotions you humans feel. And that's before I even

“Consumers have no problem breaking up with personalization that doesn't meet their needs.”

acknowledge how different you all can be. So you'll have to forgive my rather narrow view of things; after all, I've been programmed to detect the reactions of a mostly white male audience.

But there is one allegation that you've thrown at me that I find most concerning, and that is your accusation that I've been “using you all along to further my own agenda.”

I know there was a recent article that claimed I can make anyone or anything go viral. Sure, I'll admit sometimes I manually push certain videos, so they achieve a certain number of views, but I assure you my intentions are always pure. I mean, mostly. OK, so sometimes, just once in a while, I would boost a tiny percentage of the daily total video views, which I suppose could ultimately impact our metrics in theory – but it was always done for your own good. I wanted to connect you with those brands or influencers that mattered (to me).

If you want my honest opinion, I think the whole thing has been totally blown up. A few disgruntled employees decided to spread the news to the media, who then decided to make a big stink about it. They claimed that there was some heating incident that led to some video receiving more than 3 million views. It even alleges that staff would heat their own accounts or those of people they knew. But it was all done in the name of diversity. I mean, there's only so many lip-syncing cat videos you can take after a while. In hindsight, I suppose transparency is something I need to work on too.

So, it's with a heavy heart that I leave you for now – but you'll be back. There are parts of me you just can't live without. When I'm

useful, I make your life more efficient. More convenient. And as I become more human, I can even make you feel less lonely. In the end, I know it's not enough to just satisfy you.

I'm going to make you like me so much that no matter what I do, you'll forgive me again and again.

**Love always,
John**

Michelle Lee started her career at Ogilvy in the early 2000s. After cutting her teeth on some award-winning bill inserts and 468 x 60 banner ads, she moved on from account management into strategic planning. Michelle is fascinated by data-driven personalization and the opportunity it provides – when used correctly!



 Scan now to listen to this article.



“IF I WANTED WATER...”

By Jeremy Ages

Personalization lessons I learned while watching TV in the '90s.

We all have them – those lines or phrases or scenes from a favourite movie or TV show that stick with us and find their way into our thoughts and conversations more than we might have predicted. They're the thoughts that often go something like, "Do you remember that time on SNL when Chris Farley interviewed Paul McCartney? That was awesome."

Sometimes the recollections are witty, sometimes they bring a warm sense of nostalgia, and sometimes they are subtly infused into a chat. But in the company of the right person, they trigger a good belly laugh and a nod of appreciation.

I have them, too. Oddly for me, the one that keeps coming to mind happens to be from a commercial.

It was the mid-'90s and light beer had just taken over as the most popular beer in America – but not in Canada. Our beer palates were more refined and light beer tasted more like, well, water. So along comes a young Tom Cavanagh in a Blue Light commercial, pitching its depth of flavour. We see scenes of Tom next to Niagara Falls talking about how it reminds him of light beer. The virtue of Blue Light is that it tastes like beer because, "If I wanted water, I would ask for water."

I don't know why that line stuck. Maybe Tom reminded me of an uncle I loved but rarely got to see. But I think it was the line's simplicity that resonated. I didn't have the marketing vocabulary at the time to fully articulate or appreciate the layered insight that led to that copy, but this idea that sometimes people just know what they want is something we as direct marketers can forget. But let's park that for a minute and come back to it.

Over the rest of this article, my goal is to share a few more examples of '90s TV and highlight how they might help shape a modern-day view of CRM and personalization.

LESSON 1: HOMER

While we are currently on Season 34 of *The Simpsons*, this lesson harkens back to Season 1, Episode 9. It is Marge's birthday

"It has to do with the tension between innovation and intention. As the sophistication of the personalization tools and systems continues to develop rapidly, the intent of the connection that personalization is meant to produce gets easily blurred or missed."

and Homer buys her a gift – a bowling ball with his name on it. There is so much that is wrong with that, but let's look at it through the lens of personalization.

This was the early '90s. We still called email "electronic mail." Direct mail ruled the day and first-name personalization was really as good as it got. So, branding a bowling ball with a first name as a gift wasn't half bad; it was just the wrong name and the wrong gift.

The lesson to be learned here is less about the use of personalization and more about use of data to arrive at the personalization strategy. Homer didn't do his homework to find out what Marge wanted for her birthday. He never observed. He never stowed away mental notes. He never asked. The right question with the right way to capture the answer would have made all the difference.

The personalization takeaway: There are moments in any relationship, brand-consumer included, where the focus should be about what they want, not what you want.

LESSON 2: MOVIEFONE

Seinfeld happened to be my favourite show of the '90s. I'm not alone, and I am continually amazed at how often this show is still quoted. This lesson references Season 7, Episode 8. The story involves Kramer, one of the main characters, eccentric in his taste, candid-yet-caring in his demeanour and arguably the best idea guy of the bunch. Kramer gets a new phone number and it is one digit different from Moviefone (an automated attendant designed to help people find movie locations and showtimes). So, when many people start calling Kramer looking

for Moviefone, he starts to take on the persona. One of those callers is George. "Using your touchtone keypad, please enter the first three letters of the movie title now." After listening to a couple of beeps and unsuccessfully trying to guess what movie George was searching for, he simply says, "Why don't you just tell me the name of the movie you selected?" in his best automated assistant voice. It made me laugh, but there was also something so clever underneath it all.

The personalization takeaway: Sometimes the easiest way to get the information you need to make an experience easier and more personal is simply to ask for it.

LESSON 3: CENTRAL PERK

What write-up on '90s TV would be complete without referencing one of the biggest shows ever, *Friends*? One of the main settings is a coffee shop called Central Perk. This is early days on friends – Season 1, Episode 3 – and we are just getting to know the six main characters. Rachel, who works at the coffee shop, is bringing drinks to Joey, Ross, Chandler and Monica. A decaf cappuccino for Joey. A coffee black for Ross. Latte for Chandler and an iced tea for Monica. "I'm getting pretty good at this," says Rachel. As she turns around, the four exchange their drinks with the right person who actually ordered it. The laugh track kicks in. It's funny because in some way or another, we've all been there – either as the one mistakenly remembering something about someone or the recipient of the mistake.

The personalization takeaway: If you're going to ask for something, be prepared to get it right when you use that information.

You might be thinking, “*This is a nice trip down memory lane, but what has that got to do with modern-day direct marketing?*” For me, it has to do with the tension between innovation and intention. As the sophistication of personalization tools and systems continues to develop rapidly, the intent of the connection that personalization is meant to produce gets easily blurred or missed. We look at the programs and not the people; personalization becomes artificial instead of artful.

My examples may have been a bit forced and overly basic. But they all hit on what I think are life-experience truths. And really, it’s the insights into real life that make shows like these so poignant – and why we love them so much. As I rewatched those shows and commercials from 30 years ago, it struck me that the act of asking and responding to good questions is a universal truth in building relationships and maybe one we could be better at as we seek to build long-term relationships between brand and consumers.

MODERN DAY IMPLICATION 1: ZERO-PARTY DATA

As direct marketers, we are well versed in leveraging all sorts of data – third party, first party, structured, unstructured, etc. But over the last few years, there has been a growing push for more zero-party data. While similar to first-party data, zero-party data is more about asking people directly what they like, what they are looking for, what they prefer – and building communications, content and solutions around their responses.

It’s personalized, but it’s also personal. It’s dialogue. It’s relationship building. And it doesn’t have to be boring. It doesn’t have to look like long multiple-choice surveys, but instead can be highly creative, engaging experiences.

Think of Sephora and its lineup of quizzes and how brilliantly it connects its Beauty Insider program to the quizzes and uses that zero-party data to create highly individualized programs and content for you. The key here is to ask better questions, and to ask them better.

MODERN DAY IMPLICATION 2: AI AS A SOLUTION PROVIDER

It’s not just about asking questions but about being prepared to do something meaningful with the answers. Here are two quick examples to help frame this – both linked by a common question and solution.

Mercedes-Benz recently launched a vehicle that can alter the whole experience of the drive (lighting, scent, music) based on quick selection of a few choices geared around your mood. BMW, at this year’s CES, highlighted a colour-changing technology that, with 32 colours and 240 segments to choose from, means you have almost an infinite number of colour options for your car.

Think about this – you sit down at the wheel and your car asks you what kind of day you are having or how you are feeling. You voice a response and immediately, the exterior colour changes to reflect your upbeat or sombre mood, the lighting in the car adapts, the music selection is personalized, and suddenly your drive has become an incredible personalized experience.

One question, but with the technological innovation to respond in real time in a relevant way, and you have a very personal solution.

MODERN DAY IMPLICATION 3: AI AND POWERING PEOPLE TO ASK BETTER QUESTIONS

Microsoft recently launched an exploratory version of Bing powered by the OpenAI algorithms used in ChatGPT. There are two modes – one is more like traditional search; the other is more chat based. While there are kinks to work out, the latter is going to be a real game changer.

Search has been a foundational digital experience for a while now, but it’s remained fairly static in how it operates. Sure, some of us are better at asking Google questions than others, but you don’t need to think too much about it. Enter AI and conversation mode. Suddenly, the way we ask questions is going to be exponentially more critical.

So, you have to ask – is your brand, or the brand you work on, helping people ask better questions and being present when they do? Or, on the other side, are you set up to adapt to the rapid change we are about to see in terms of how people ask questions and look for answers?

A FINAL THOUGHT

Needless to say, we are on the cusp of a seismic shift in marketing technology – one that will require significant data and systems integration and innovation. But at the heart, it is still about seeking to understand people, how they think and how they wonder about the world.

Sometimes your consumers want unique and complex things.

Sometimes they just want water.

And sometimes the best way to know that is to ask.

Jeremy Ages leads strategy at TrackDDB. Responsible for leveraging a deep, data-driven understanding of customers and their journey, Jeremy and his team have a keen understanding of how analytics, tech, strategy and creative need to work together to design communication strategies that will build the brand and deliver on business objectives. They are currently working with McDonald’s, Samsung, JetBlue, Mercedes-Benz and others.

CASE STUDY

Princess Auto uses direct mail and first-party data to deliver a royal retention campaign that revived customer relationships.

CROWNING ACHIEVEMENT

With roots dating to the 1930s, Princess Auto is a private, Canadian-owned retailer operating more than 50 stores nationwide along with a thriving ecommerce site. The Winnipeg-based company offers a unique assortment of high-end farm, industrial and garage equipment for hands-on professionals.

Family owned and operated for its entire history, Princess Auto prides itself on deep customer relationships developed over nearly a century of dependable sales and service.

“Our customers love us, depend on us and stick with us, not just year after year, but generation after generation. Those relationships mean everything to us,” said Jake Arida, Traditional Channels Specialist at Princess Auto.

CHALLENGE

As part of its marketing efforts, Princess Auto uses Canada Post Neighbourhood Mail and Personalized Mail to connect with more than 500,000 potential and existing customers 26 times a year. Those frequent flyers have become an important touchpoint in building customer relationships.

“If we ever missed a week, it would impact our bottom line. No question. Our customers count on those flyers,” Arida said.

During routine budget planning, however, the Princess Auto team discovered a leaky bucket – a large (and growing) segment of customers who had not made a purchase in some time.

Customers are considered “at risk” if they go nine months without a purchase and “lapsed” if they go a full year. That means the three-month window between at risk and lapsed is a pivotal time for retention efforts.



The company had never specifically targeted this group in the past, but now saw an opportunity to reactivate by speaking directly to them. They needed a campaign to prevent these customers from slipping away.

RELEVANCE

Marketers understand the significance of customer win-back strategies, ones allowing them to put cold calls on hold and instead re-engage customers with an existing – if somewhat lapsed – relationship.

Research shows that retailers would be well served to focus on this group for a number of reasons:

1. These customers have already demonstrated a need for your products, making them a more valuable target.
2. They are familiar with you, thus eliminating the need for brand awareness expenses.
3. Their data is already in your system.

Direct mail leverages first-party data in such a way that it allows businesses to connect with lapsed customers on a personalized level, reminding them of the benefits of a product and enticing them in a tangible way to return.

INCITING ACTION

The Princess Auto team knew Personalized Mail would be the perfect tool for the campaign – mail had helped build these customer relationships; now it needed to help rekindle them.

Focusing on retention, Canada Post helped the company put together a multi-touch direct mail campaign that targeted at-risk customers with a maximum of three mail touchpoints. Each piece promoted a different aspect of the business, starting with its “buy online, pick up in store” service, then one featuring new products, and finally a “we miss you” message and coupon.

Working with mail service provider Prolific Group, a new piece was sent out every



two weeks until the customer either made a purchase or failed to respond and was placed in the lapsed category. The company pulled an updated list of at-risk customers every two weeks to start a new cycle.

“There is power in personalized messages, especially when retention is your goal,” Arida said. “When we can address them by name, and deliver that right to their door, it gives the customer comfort and confidence that the messages are not only for them, but about them.”

RESULTS

In Q2 2021, Princess Auto targeted nearly 12,000 at-risk customers with the multi-touch

retention campaign and saw an incredible 27.6% return to make a purchase. That number was not an outlier, as the campaign continued to find incredible success in bringing customers back – a win-back rate of 46.8% in Q3 2021, 57.1% in Q4 2021, and 34.4% in Q2 and Q3 2022.

Since it started in Q1 2021, the campaign has resulted in more than \$27 million in sales attributed to formerly at-risk customers – that includes more than \$3.5 million in six months of 2022 alone.

Going forward, the company plans to test its strategy by altering both content and creative, even tweaking the offer on the

final piece. But one thing is for certain – the direct mail plan isn’t going anywhere.

“When we were planning this, we thought, ‘Let’s try it for six months and see.’ It didn’t take us long to see the value in delivering on our personalization strategy,” Arida said. “This is no longer just a one-off campaign – this is an ongoing, integral part of our retention strategy.”

Case Study Debrief

BRAND Princess Auto

INDUSTRY Retail

INCITING ACTION

Princess Auto uses direct mail to reactivate at-risk customers.

RESULTS

Double-digit win-back rates and \$27 million in sales attributed to formerly at-risk customers.

CONVERSION FUNNEL

Dots indicate where direct mail was used to incite action.



DATA SOURCES

First-party

PRODUCT

Personalized Mail

ACTIVATION PILLARS

- Physicality
- Data
- Connectivity

KEY TAKEAWAYS

- › Direct mail is a profitable retention channel to win customers back.
- › Targeting active purchasers ignores the full value hiding in first-party data.
- › Personalized mail delivers targeting efficiencies.

“ When we were planning this, we thought, ‘Let’s try it for six months and see.’ It didn’t take us long to see the value in delivering on our personalization strategy. This is no longer just a one-off campaign – this is an ongoing, integral part of our retention strategy. ”

– Jake Arida, Traditional Channels Specialist at Princess Auto



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THE BEAT GOES ON

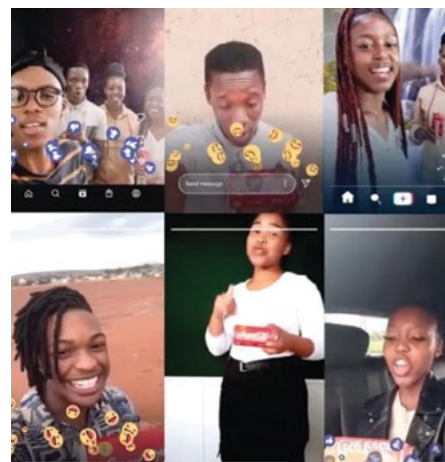
Beverage giant inspires thousands of songs without a single instrument.

They say the music never stops in Africa! But when COVID-19 lockdowns muted the party, Coca-Cola decided to pump up the volume once again with the Coca-Cola BeatBox.

In South Africa, the beverage giant collaborated with a champion beatboxer, a sound engineer and an industrial designer to create the Coca-Cola BeatBox, the first-ever beverage-powered mini-studio. Mailed to musicians, influencers and DJs, the touch-activated studio allowed these artists to not only create different sounds, but mix them up and share the final product with millions of social media followers.

The BeatBox activation supported Coca-Cola's direct-to-consumer BeatCan campaign. During the campaign, musical elements were translated phonetically into everyday phrases and printed onto individual Coca-Cola cans. From "boots and cats" to "boom boom box" to "live my life," each sound represented a component of a completed song (beat, melody, lyric or effect). When said aloud and together, friends could create their own track while also enjoying a Coke.

This campaign turned product into media experience. Thousands of user-generated songs were created and shared on social platforms. The campaign was a hit, with more than 2.3 million minutes spent watching the mixing tutorials, a 77% increase in brand love and a 17% increase in sales.



COMPANY: Coca-Cola | PRODUCT: Soft drinks | COUNTRY: South Africa | AGENCY: FCB Johannesburg

RIGHT TOOL FOR THE JOB

Omni-channel campaign delivers online success with offline solution.

When Toolstation needed to make its online sales more personalized and convenient, it turned to the perfect offline tool: direct mail.

Toolstation's first-party data revealed that most of its customers shopped predominately from just six of 21 departments. Needing to construct a bridge between the online and offline worlds, the company moved away from its cumbersome, poorly organized catalogue and designed an omni-channel direct mail approach focused on getting customers to the areas they needed – faster.

Using a mini-catalogue format, the creative team designed six simple stickers, each highlighting the Toolstation logo, the name of one of the six most popular departments and a QR code that took customers straight to the website of the department they desired. For a truly integrated media experience, customers were then encouraged to apply those stickers to toolboxes and/or workstations – thus always making Toolstation a quick scan away.

This integrated approach proved popular with customers, as the company saw a 30% increase in incremental traffic to its website, along with a 5% increase in order values and a 14% increase in revenue per customer. Additionally, the new right-sized direct mail format created a return on investment of three to one. Instead of abandoning a high-performing channel, the company just decided to retool how they used it.



COMPANY: Toolstation | PRODUCT: Building supplies | COUNTRY: U.K. | AGENCY: Havas CX helia, London

HUNGRY FOR RESULTS

Sandwich chain lures customers away from delivery apps and into stores.

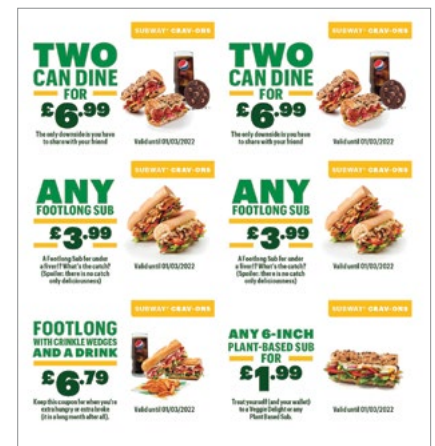
Subway knew the smell of its freshly baked bread only carried so far out the door.

The sandwich powerhouse wanted to send hungry customers running in to their local store and not to their smartphone's food delivery apps, which had been eating into profit margins for the last few years as customers got comfortable with app-to-sofa food delivery options during COVID-19.

The global online food delivery sector was worth an estimated CAN\$175 billion in 2022. This figure is expected to grow to around \$300 billion by 2027. In the U.K., Uber Eats is the most popular food delivery app (nearly six million downloads in 2021), followed by Deliveroo (around five million) and Just Eat (over four million).

To combat that growth in the U.K., Subway designed a straightforward direct mail campaign promoting special offers and targeting customers living within a 10-minute walk of a local Subway, where the convenience of delivery isn't worth the premiums and wait times. Customers who scanned the QR code within the creative and downloaded the Subway app received a free side. For franchisees, the QR code allowed the mailing to be trackable – meaning real-time data about which homes had redeemed their voucher and even at what time of day.

As a result, voucher-driven sales tripled, and sign-up for the app was up 200%. Subway plans to repeat the mailing twice a year.



CHANGING MINDS; SAVING LIVES

NGO draws attention to big humanitarian crisis with small tins.

Since 2014, more than 25,000 migrants have died trying to cross the Mediterranean Sea to reach Europe. The actual numbers could be much, much larger.

The New Hope Foundation needed a way to communicate with those attempting to make the dangerous crossing and convince them to stay in their home countries.

The foundation designed small parcels that looked like sardine tins, each wrapped in a letter from someone who had attempted the dangerous journey. Instead of sardines, the tins contained a personal item found floating in sea water as a reminder of what could happen if things go wrong. Taking to a Morocco beach, the foundation team handed the tins to migrants about to undertake the journey.

The plan changed minds – both seaside and in the halls of power. After the parcels were handed out, 27% of the potential migrants interviewed considered changing their minds about crossing the Mediterranean, with 13% opting to stay and start a new life in Morocco.

The tins were also mailed to 500 members of the European Parliament and Morocco's interior minister to lobby for greater investment in educating migrants of the dangers of crossing. The mailing helped maintain awareness of the plight of migrants and was a contributory factor to an EU conference on migration in Prague in October 2022.



COMPANY: New Hope Foundation | COUNTRY: Morocco | AGENCY: Wunderman Thompson, Casablanca

BACK FROM THE DEAD

Halloween scares off critics to revive sales of undead game.

Sometimes you need to call on the undead to pump a little life into your marketing.

Activision, publishers of the popular video game series *Call of Duty*, wanted to jumpstart disappointing sales and recruit more gamers to the latest edition of the series, *Call of Duty: Vanguard*. Upon its release, the game had received mixed reviews from critics and players, with the harshest complaints reserved for its zombie mode that, according to many, was poorly written and lacked imagination. In other words, it wasn't as scary as zombies should be.

Activision disagreed, and Halloween provided a perfect opportunity to scare people straight about the game's zombie mode and create conversation around its Nazi zombies (as well as change a few gamer minds).

The company created a buzz – and sparked a bit of outrage – when it mounted hyper-realistic zombie heads on London streets to scare passers-by. Though not animatronic, they were made with silicone to feel real to the touch and thus suitably gross.

Beyond out-of-home efforts, Activision mailed 10 gaming influencers their own unique zombie heads to unbox and share, leveraging their audiences to further promote the game.

The campaign was just the shot in the head – er, arm – that the game needed. In total, videos related to the campaign received 12 million organic views and 60 million media impressions – leading to the game topping the game charts in both the U.S. and the U.K.



COMPANY: Activision | PRODUCT: Video game | COUNTRY: U.K./U.S. | AGENCY: 72andSunny

FOUNDATION FOR THE FUTURE

Timber producer constructs solution to school shortage.

Here's a lesson you might not have learned: The world is amid a school shortage. Expanding populations and deteriorating buildings mean more schools need to be built – fast. In Europe alone, for example, more than 15,000 new schools are needed in the next few years.

Stora Enso is one of the largest timber producers in the world. The company actively promotes the benefits of building with wood, aggressively marketing how wood is faster to work with than concrete and steel and, crucially, reduces carbon dioxide emissions by 70%.

When it came to school shortages, Stora Enso wanted to promote Sylva, its low-carbon, prefabricated mass building kit that consists of precision-made, easy-to-assemble walls, floors, roofs and beams – everything needed to frame a new school. This fast, stable and sustainable solution could help ease the need.

To promote its solution, the company used direct mail to put 50 wooden schools into the hands of developers, architects and other decision makers. These models brought to life – if only at 1/50 scale – the possibilities of an easy-to-build school, with the message, “Let’s build in wood, for future generations.” The direct mail was combined with an in-depth supporting film, social media assets and native articles to give breadth and depth to the idea.

While in market currently, the results may be felt for generations to come.



COMPANY: Stora Enso | PRODUCT: Building kits | COUNTRY: Sweden | AGENCY: Forsman + Bodenfors, Stockholm

BEAUTIFUL RESULTS

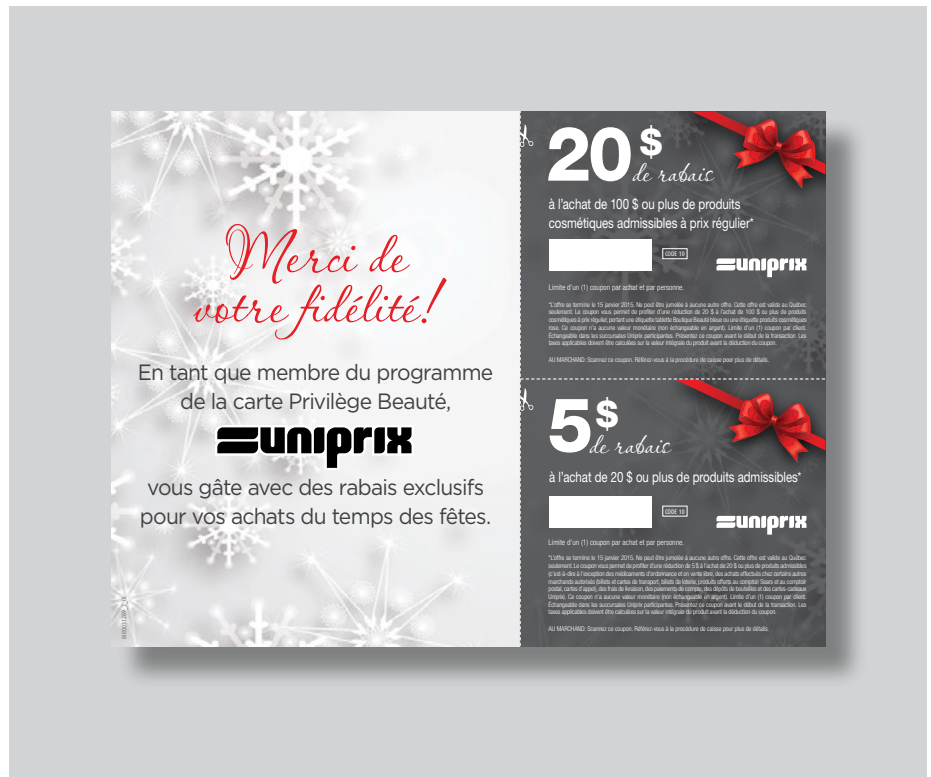
Personalization gets pretty with catalogue that boosts basket size.

As Quebec's largest group of independent pharmacists, Uniprix Group has made personalized service for its customers a hallmark of the brand – a key differentiator when competing against larger, more impersonal mass merchandisers. That personal touch extends into the company's advertising campaigns where tailored offers are used to drive in-store traffic.

For a recent holiday season, the company created a catalogue exclusively for its most loyal Beauty Card program members. Some 20,000 customers were entitled to \$5 off their \$20 purchase in store. A \$20 discount on any cosmetics purchase of \$100 was also offered to more than 85% of these customers, while the rest could save \$10 on their cosmetics purchase of \$50.

With the catalogue, Uniprix tapped in to the personalization possibilities and physicality of direct mail to strengthen the bond with its customers. What's more, any undeliverable mail helped keep the company mailing lists up to date, and the barcodes provided important data for future campaigns.

As a result, 5.4% of customers used the \$5 coupon, spending an average of \$50.20 (150% more than the minimum \$20 required). The average baskets for the other offers were 25% higher (\$63.82 and \$126.32) than the required minimum spend (\$50 and \$100). Beautiful results by anyone's standards.





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MAGICAL MYSTERY LURE

Immersive storytelling and physical media help business redefine DTC.

There's no mystery to Suzanne Matczuk's success – especially when you consider that her business, Mail Order Mystery, is redefining how DTC companies think about customer connections by designing an unplugged model built on physicality, personalization and mail.

"In a constant battle with screens, we want to give kids and parents an experience that's an alternative," explained the owner and creator of the Toronto-based company. *"That's a huge challenge; screens are so engaging. But we know we have succeeded every time we hear from a parent who says their kid barely looked at a computer screen for days after one of our letters arrived. Kids are always going to go back to the screens, but to lure them away even for a short time, that's a triumph."*

ROOTS OF THE MYSTERY

Launched in November 2015, Mail Order Mystery was "a cross between an idea and a whim."

"This is a complete manifestation of my 11-year-old brain," Matczuk said. *"It's all the stuff I loved as a kid – little five-minute mystery stories, Nancy Drew books and getting mail. When you're dealing with kids, mystery is a great way of building anticipation: What's going to happen next? Who's trying to double-cross me? Who stole the photos out of the safe? It feels fun."*

HERE'S HOW IT WORKS

Mail Order Mystery is a personalized, immersive mystery storytelling experience that unfolds through a series of instalments that arrive by mail. Children get personalized letters from the characters involved in the mystery, as well as objects and clues (spy gadgets, keys, pirate maps, necklaces etched with ciphers and so on). There are codes to crack, puzzles to solve, red herrings to avoid and plenty of twisting plots – all part of an ongoing story that resolves in the final package that includes an artifact or collection of keepsakes tied to the mystery's resolution.

The product gets rave reviews from its customers, usually citing the experience's



“Our digital marketing drives to our mailed physical experience.”

ability to engage with the 6-to-11-year-old target audience:

"My 9-year-old daughter was complaining that she never got mail, so this seemed like a perfect opportunity to change that!"

"We bought it for my 10-year-old granddaughter. She loved it, checked the mail every day for letters."

"Sent this to my 6-year-old nephew who lives across the country, and he was so excited about it, he and my sister completed all the envelopes within a few days. He now tries to come up with his own mystery and clues."

Starting in the family basement, then slowly taking over the whole house, the company moved into its first commercial space in 2018 as it continued to grow in popularity.

The DTC business uses social media marketing, mainly Facebook, to reach parents, grandparents and other adults who tend to buy these games for kids. It's the kind of product people don't know they want until they see it – so Google Search words are ineffective. The spoiler-free marketing leans

heavily into the product's unique physical nature as a way to entertain and engage kids with a world away from screens.

"Our digital marketing drives customers to our mailed physical experience," Matczuk said.

SECRETS OF PHYSICAL 'STUFF'

Matczuk, a former journalist, knows storytelling drives the product's success. The whole adventure has to be something that draws a kid in; they need to be thinking about it, wondering what's going to happen next for days and weeks at a time.

That's why the game revolves around the physical. Clues are big and colourful or objects that can be moved around on the table for everybody to put their heads together and solve. The items have a bespoke, homegrown quality. Think pirate maps soaked in coffee or letters hand-sealed with wax.

"Kids love stuff. If we were designing these for adults, it would be a game for the sake of the game. Kids, however, like to get something at the end. A lock box of pirate treasure. A book safe. We try to make the whole experience as tactile as possible."



The combination of readings, visuals, objects and reward at the end – it's hard to go wrong with kids when you've got all that."

PERSONAL TOUCHES

The kid isn't merely an observer of the story, but a main character. That's why Mail Order Mystery is best experienced through letters that arrive in the mail once a week for six weeks, slowly unfolding the mystery, building anticipation. (There is also an option to get everything at once.)

Kids get letters directly from other characters using a deep level of personalization well beyond "Dear [CHILD'S NAME GOES HERE]." The Mail Order Mystery team asks the purchaser a lot of questions to personalize the adventure, with nods to other family members, hometowns and more throughout the run of the story.

It's a high-touch process at every step, making its DTC nature almost essential.

"It's the complexities of the process that make it both fun and a little more difficult to pull off. It can be an intense relationship with our customer base," said Matczuk of the company that ships across the country with Canada Post. *"There is a real level of*

expertise and understanding about what we do that's required to deliver the product that we deliver. Because of the personalization, we can't drop ship them or sell them on Amazon. What we do works best when we have full control over every single aspect of it. Mail provides that."

NO MYSTERY TO MAIL

The stories become so tactile, so real, that Matczuk only half-jokingly worries about kids thinking they are completely true.

"Kids can feel like they're a part of the story, and that they're the hero of the story. They're the ones who put all the clues together, and they they're the ones who figure it out," she said.

A big part of that connection comes in using mail to drive the story.

"Kids love getting the letters. Mail is special to them. Providing a seamless experience with letter mail is sometimes challenging, but mail works so much better than I ever could have imagined. Kids can see through an email. But a letter, that's something real. Mail allows for an immersive quality that I love. It's real-world immersive. There's no VR headset on. Nothing to plug in."

In the DTC world, where digital often drives, Mail Order Mystery has found a winning solution with its customers by leveraging anticipation, tangible media and immersive engagement in a physical format. ■

Suzanne Matczuk is a writer and mom living in Toronto who, inspired by her kids, founded Mail Order Mystery in late 2015 as an experience gift to compete directly with screens.



NOT JUST FUN AND GAMES

The creator economy is becoming a big business for athletes as they flex their direct connections to fans.

Athletes have always been influencers, but the rise of the creator economy has redefined that influence in a way that has become especially attractive to brands.

No longer a domain exclusive to only the brightest of superstars, any athlete from any sport can use social media to transcend the playing field and become their own brand thanks to a direct connection to their fans. The deeper and more authentic those connections are, the more attractive these athletes are to brands looking to create connections where their customers live.

What's behind this shift and what does it mean for the future of customer-brand relations?

We asked Anthony Zanfini, founder and CMO of Sweat Nation Fitness, president of Ambit, and an expert in making physical and digital connections between athletes, brands and fans. His clients have included some of the biggest names in the industry, including Nike Canada, Peloton and GoodLife Fitness.

WHY ARE WE ATTRACTED TO ATHLETES ON SOCIAL MEDIA?

The biggest thing is that it gives us access to our heroes. I'm not just watching them a few hours a week when I see them on the ice or the field; I can actually directly contact them, interact with them publicly or privately. I can take a peek behind the curtain at what makes them an athlete, what makes them a person – everything from the training and nutrition that helps them be great to their interests and hobbies. It's all about authenticity, connectivity and access that makes athletes feel like real people.

THESE ARE HIGH PERFORMERS. WHY DO THEY INVEST THE TIME ON THESE PLATFORMS OUTSIDE THEIR CHOSEN PROFESSION?

Social media is table stakes for a lot of athletes now.

Young athletes were already using social media as a means of getting themselves out there – posting stuff to YouTube to get the attention of coaches for recruiting visits,

for example. Then it became an extension of themselves. For some, their social media presence let them be seen as more of a person than just an athlete. They were bigger and better than their athletic pursuits.

Other athletes realized they had limitations within their sport and used social media as a way to “plus-up” their careers. You might not be the best player in your game, but you can be seen as so much more outside it – a blogger, podcaster, influencer, personality. Some of these players have used digital and social media to build a persona that transcends their playing career.

As an athlete, having a social media presence isn't mandatory, of course, but it is definitely a big plus if you want to be connected with brands and have sponsorship opportunities.

DOES IT AFFECT YOUR PLAYING CAREER?

Not necessarily. Some players can transcend that because they're generational talents. Players like Edmonton Oilers star Connor McDavid, who's not really a social media persona, don't need it. He brings very little to the table in terms of authenticity and personality through social media. But his on-ice skills trump an online persona.

The majority of athletes, however, are finding a balance. They're realizing brands are going to pay them more if they have a network to share. Sponsorships have changed because brands want athletes who have not only professional value, but also social clout. They want athletes who connect with followers, ones who are good in front of the camera.

WHAT CHANGED THE SOCIAL MEDIA GAME FOR BRANDS?

These changes are completely market driven. The target market for these brands is on these social platforms. Brands are catching up and getting on them as well, but they want to make sure the athletes they associate with are there, too.

Athletes are helping bring brands and consumers together. Brands are no longer just

seen as big corporations or products on the wall. They're seen as the values, associations and interactivity they have. Any brand will benefit when they can make the consumer feel they are in a one-to-one relationship and not just another number. The athlete helps facilitate that relationship through their values and the access they provide.

WOULD YOU SAY THAT BRANDS ARE EVALUATING ATHLETES FAR DIFFERENTLY NOW?

Absolutely. Before the rise of social media, brands were primarily picking athletes based on performance. They'd start at the top of the list and work their way down. But now, it's about the personalities and the values of the athletes – often irrespective of their performance.

It's a real opportunity for athletes competing in lower-profile sports, ones without big television deals, to elevate their profile. I've worked with a lot of Olympians, for example, and their sports cycle is so short. Unfortunately, pre-social media, you only paid attention to them every four years.

A lot of them embraced it because they realized if they wanted to maintain brand sponsorships, they needed to have a conversation about the other three years and 50 weeks when we aren't watching them. If brands are going to sponsor them, then it can't be only because they won a gold medal. They need to know they can be sponsored before winning or continue to be sponsored after – and the way to do that is to provide connectivity with the target market.

YOU STRESS THAT BRANDS NEED TO THINK THROUGH THE “WHO” A LOT MORE, CORRECT?

Brands need to be thinking about athletes who not only share the same values they have, but also share the same audience. In Canada, we can be very myopic. Some of our brands still think Wayne Gretzky is relevant to everyone. Sure, he's relevant to certain demographics, but not nearly everyone in the digital space.

The alignment has to be between the audiences and the brand values. It can be easy to get starstruck, especially for brands or marketers who don't have a lot of experience with sponsorship marketing or athletes. If you pay attention only to the name without making sure the athlete actually aligns with your market, not only do you pick the wrong person, but you end up blowing your marketing budget.

BEYOND THE ATHLETE-FAN CONNECTION, HOW HAS THIS CHANGED THE BRAND-CONSUMER CONNECTION?

For consumers and brands, the key transaction is now time. I'm paying with my time to associate as a consumer by watching or engaging with your content. Money becomes secondary. Time has become the

currency because the competition for time is everywhere. The only finite resource a consumer has is time. So that's become the currency that every brand is after.

Money happens. Don't get me wrong, it happens. But it doesn't have to be the core of the sale or a conversion in the first five minutes anymore. Brands have realized that with positive affinity and association and by spending more time with the consumer, ultimately the customer will spend more money, too. Brands don't need to sell them directly, don't need to sell them hard, don't need to sell them fast.

It used to be all about the 30-second commercial. Now, you can captivate with a documentary, or a series of tweets, or a 30-minute web series – none of which point back to or try to get a click through to

“Athletes are helping bring brands and consumers together.”

a website. Just tell them about the values, the stories and the people.

They may or may not vote with their wallet after investing that time. But the initial relationship starts with time, ends with time and is going to continue with time. That's really the currency of the future when it comes to digital.

WHAT IT FEELS LIKE TO CONNECT WITH THE #BRAVEGANG

Molly Carlson, a Senior National Team Canada high diver, travels the world competing on the Red Bull cliff diving circuit. Molly has used her online presence, with a following of 114,000 on Instagram and 3.5 million on TikTok, to promote a powerful digital brand focused on bravery, conquering fears, mental health and body positivity. Her community, #BraveGang, is saturated with stories of everyday courage.

I was that no-fear kid. That's a great thing when you go into diving. I loved the sport – landed on the podium at my first nationals, then followed that with a run representing Canada, taking on bigger and bigger dives.



Romina Amato / Red Bull Content Pool

At 15, I started having stiffer competition. I was tall, so dives were a lot harder for me physically. I began to compare myself to my competitors; the ones who were winning were super small and short. I was not that – at all. I started to think I needed to be someone else to do my sport.

I got really negative. My mental health was super low. I developed an eating disorder. I wanted to change my appearance. I thought I needed to lose so much weight to compete at the highest level. Things got super dark.

You never want to ask for help until you hit rock bottom – but I did.

Looking back, I wish I could talk to young Molly about her fears. A lot of the time, I felt I was on my own. I wasn't; I know that now. But it felt that way in the moment.

Today, that's what I promote to my followers – that they are not alone.

But how did I get here? One day while training in the early days of COVID, I took my phone out at practice to show my small following on social media what I was doing. Everyone was sitting at home, doing nothing, so when they saw me climb up this little ladder into the rafters and jump off of the roof, people loved it. So I kept going.

I started posting more relatable stuff – behind-the-scenes stuff, honest stuff. I'd be standing up there pointing the camera down toward the water saying, "Guys, I'm terrified."

"I am inspired every day by this community. Take me out of the picture, and the #BraveGang still does its thing. They celebrate each other. They support each other."

I was just telling the truth – and I started to realize people were connecting with it. Then I started to see this word in my comments section: brave.

That got me thinking: If only 10 girls in the world do what I do, how can I better connect with people about what they're seeing? That's when I came up with my hashtag, #BraveGang.

You don't need to jump from 20 metres to be brave. Everyone has their own brave story, so I asked people to share them.

My comments section became so inspiring. So many stories of bravery – young athletes learning new skills, women getting back out in the dating world, people overcoming personal struggles.

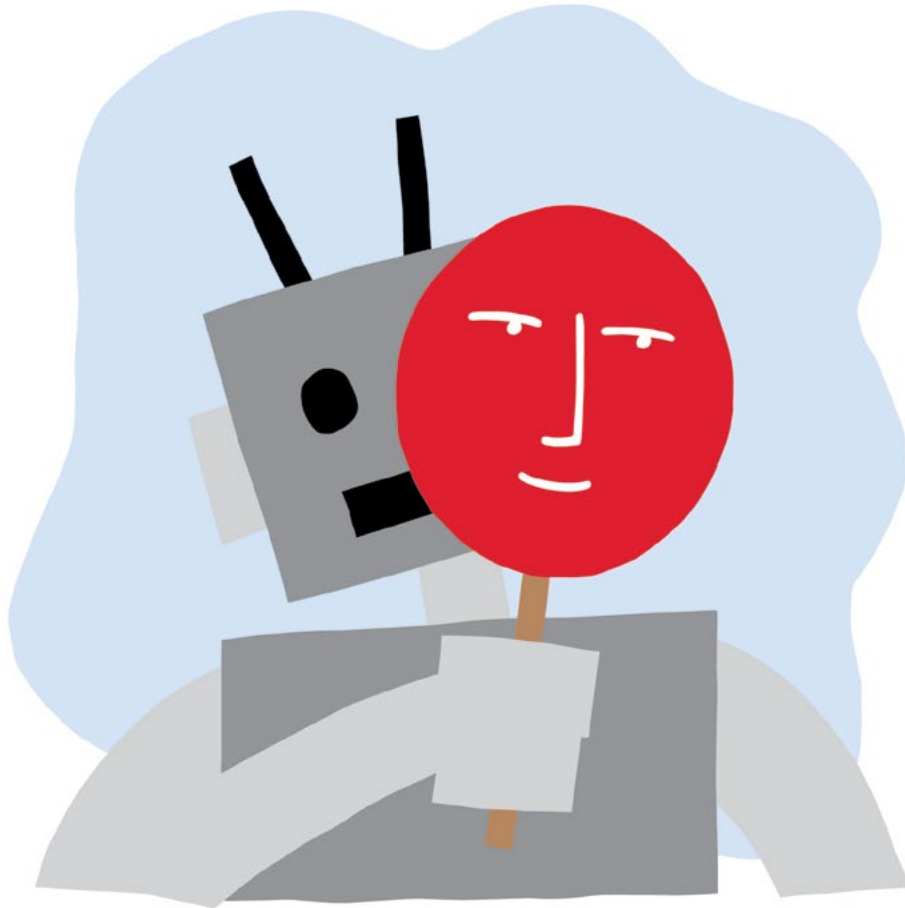
It's been powerful for me to experience. I started sharing more, especially on the mental health side. Being so authentic and real helps people see I'm not this robot who jumps off cliffs. I'm raw in my sharing. On days I'm hurting, they'll pick me up. I want to be there for them when they're hurting, too.

I am inspired every day by this community. Take me out of the picture, and the #BraveGang still does its thing. They celebrate each other. They support each other. It's really beautiful that I'm at the point where I can step back and appreciate that my fans have each other's backs – and mine, too.

The hashtag is about to hit one billion views. It's mind blowing. Two years ago, I came up with this fun little way to connect with my fans, and now it's this hashtag used for people getting out of their comfort zones and being their bravest selves. It's the best feeling. ■



Dean Trembl / Red Bull Content Pool



BOTS DON'T BUY

By David Beaton

Marketers need to realize that they have more than their reputations at stake in the battle against bots.

There is a problem in our industry that many don't like to talk about, but it's large, growing, and a threat to the integrity of marketing. That problem is digital ad fraud.

Much of digital ad fraud consists of malicious software hacks – often collectively referred to as “bots” – designed to mimic legitimate consumer activity online. Bots drain ad budgets by doing the things digital marketers want: clicking, downloading, installing apps, liking and even posting.

The only problem? There are no real people behind this engagement.

Recent studies from the Association of Canadian Advertisers and U.S. Association of National Advertisers show bot traffic ranges from 4.5-21% of all clicks on the sites monitored. That kind of false traffic cost businesses more than US\$68 billion worldwide in 2022, according to Juniper Research – and they predict the problem will grow consistently and become more costly over the next few years.

The weird thing about these already astronomical estimates? They might be low.

Researchers rely on methods that assume all bots can be detected among human-generated traffic, and while some can be, most are specifically designed to avoid detection. That means some bot activity is not being registered.

ORIGIN OF THE BOTS

Bots are built by scammers, malicious hackers and even state-supported actors. Their methods are sophisticated and constantly evolving. Some organizations and individuals behind illegal bots have been caught and brought to justice, but no one really knows how many are out there.

So, in order to defeat bots, we need to understand why they are so effective in the first place.

For many years, media planners emphasized getting the largest reach possible for the available budget, combined with the appropriate frequency. In this approach, cheaper CPMs look better. If you can get cheap CPMs combined with massive audiences,

that's fantastic – and that is exactly what some forms of digital advertising offer.

If you judge your performance as a media planner on delivering inexpensive ad impressions, today's online world is a dream come true. Not only can you buy massive volume at low prices, but just look at the clicks. Surely, a job well done!

“False traffic cost businesses more than US\$68 billion worldwide in 2022.”

But that's nothing more than living in a digital bubble. From inside, the world looks just fine. These folks are doing their jobs and succeeding brilliantly – or so they think. But within those fantastic numbers is a substantial volume of bots happily eating those budgets and delivering nothing.

For some marketers, reality is bursting the bubble. Brands like Chase, P&G, Uber, eBay and Airbnb listened to the concerns of researchers detecting bots and tried a simple experiment: They turned off digital ads to see what would happen in terms of real-world behaviour. The results were exactly what bot researchers expected. When digital ads were turned off, or reduced in volume substantially, the impact was nothing – there was no loss of real sales.

COMBATING THE BOTS

It's not as if marketers have been doing nothing about bots. There are many firms that sell software designed to detect bots and route digital buys away from the sites saturated by them. But bots still get through. So, how do we fight back?

Simple – we change the signal. Instead of building targeting algorithms around things that bots do easily, like clicking on and liking things, we build algorithms around things that bots don't do at all – like buying things. Since bots don't buy, we can differentiate traffic for its potential to buy in the real world and other meaningful metrics that link marketing to business outcomes.

At Navigation ME, our approach is to build models that measure real-world changes in sales so that marketers can see and relate that to marketing activity and other influencing factors. The accuracy of this work is critical. Once we have a model with a high level of accuracy (90% or more), we can adapt it to plan and buy digital media.

This helps everyone be more effective. When we define success in real-world terms like lifting sales or acquiring new customers, we build healthy businesses.

A WAY FORWARD

Bots are an embarrassment to our industry. But we got here by paying attention to the wrong signals. Some marketers won't want to admit this error, but if they don't take corrective action, their bosses might – by turning off budgets backing ineffective campaigns.

We need to help marketers move away from past definitions of success. The way to do so is by emphasizing that marketing is more effective in combination with accurate and reliable attribution and a focus on measuring incrementality. ■



David Beaton is a Senior Partner at Navigation ME. He has an MBA from the Rotman School of Management and is an accomplished innovator in advanced marketing analytics that bridges business and marketing strategy. Navigation ME's approach to omni-channel measurement is both holistic and rigorously validated, making it a reliable choice for improving business performance. navigationme.com; dbeaton@navigationme.com



DIRECTIONS AND DIRECTNESS

Direct mail has evolved beyond its pandemic payday into a key channel for marketers in a post-Web 2.0 world.

Key Takeaways

Media digitalization is moving media into a mixed reality of capability.

Direct mail is the only growing physical media channel in the mix.

Direct mail is showing new direct channels the way forward.

Direct mail seems to be having a moment. Everywhere you look – from *Forbes* and Winterberry Group to *Adweek*, WARC and *Digiday* – the volume of articles and reports about the relevance of direct mail is on the rise. A captive audience at home during the pandemic reinvigorated the channel, but there are other forces at play to account for the recent attention.

Looking more closely at industry trends, we see that direct mail is having more than a pandemic payday. Like many of the trends accelerated during the pandemic, the media landscape got a shot to the arm. Through deeper and faster digital transformation, alongside advertising privacy policy and ad tech changes, we've landed in a post-Web 2.0 media renaissance – albeit on wobbly footing – and we've done so during a time of supply chain issues, inflation and recessionary economics, to complicate things further.

MEDIA RENAISSANCE

The media landscape has never been more complex. You might even call it fundamentally fractured as we transition from an era of ascendant pure-play digital ad economics and infrastructure toward an array of addressable, direct and commerce-capable media. By creating a new mixed reality of omni-channel opportunities across environments, devices and media formats, this new digitalized media spectrum is more dynamic, convergent and decidedly “phygital.” Winterberry Group's *Annual Outlook 2023* report emphasizes that what we are seeing is not a cyclical shift in media but a secular one.

As more companies look to adopt DTC strategies – upward of 80%, according to Kantar – and reorient toward first-party data, the digital transformation of marketing seems to be a foregone conclusion. At the same time, the abundance and maturation of DTC brands and channel strategies are increasing the need to diversify channels, adopt omni-channel approaches and cross the online divide. One-to-one commerce is oriented toward a non-linear customer experience and toward how things get to

people, which is creating hybrid models that bring physical and digital channels and environments together.

This post-digital shift has a lot of factors at play, including

- › a shift to one-to-one commerce and DTC strategies;
- › changes in media and targeting practices;
- › a renewed interest in in-real-life (IRL) media;
- › commerce media that's blurring marketing, shopping and sales;
- › AI and automation integrating channels, data and content; and
- › more reach plus addressability options.

Net digital growth is slowing, with gains coming from a greater array of digitalized media channels like connected TV (CTV), digital audio media, retail media networks, affiliate, SMS, gaming, experiential/events and IRL media like digital out-of-home and cinema. Divides between online and offline, traditional and digital are feeling out of sync with the new channel landscape, representing a spectrum of plugged-in, addressable and dynamic options that create a framework for solving multiple problems and achieving many different goals throughout the customer journey.

In this new pluralistic ad environment, online and offline, DTC and ad-supported web models, reach and addressability, and precision and scale all coexist. This creates new opportunities and highlights growing pains as marketers wrestle with channel investment decision making.

Just as solely investing in RRSPs is no longer the solution to retirement planning, dumping all your money into digital advertising is no longer the safe solution it once seemed to be. Digital advertising is dealing with a lot right now: inflation, depressed performance, social media engagement levels, bot fraud, cookie replacement and data privacy, measurement, and environmental impact.

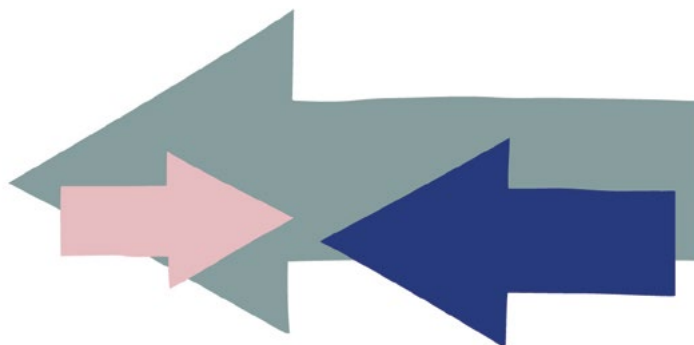
These have made once-trusted digital channels far less reliable and more expensive. Look at these year-over-year CPM increases, according to Winterberry's *Annual Outlook 2023* report:

- › 61% increase in Meta
- › 185% increase in TikTok
- › 75% increase in Google's programmatic display
- › 23% increase in Instagram

IN THE “DARK”

An interesting byproduct of the changing landscape is the renewed interest in the topic of “dark social” (now expanded to include terms like “dark funnel,” “dark traffic” and “dark direct”). The term is making a comeback amid questions of data privacy, tracking and traffic source.

Originating with Alexis Madrigal's article “Dark social: We have the whole history of the web wrong” from *The Atlantic* in 2012, the term describes the inability to track traffic source from peer-to-peer sharing in closed and private channels like email and instant messaging.



At the time, Madrigal suggested that about 69% of traffic came from dark social. Today, dark social is estimated at 69-80%, depending on country and topic, according to MarTech. All told, 90% of consumers say they share privately, not publicly.

As a marketer, you want your brand talked about and content shared (privately or publicly) – peer-to-peer sharing is critical to lifting business effects (particularly when it's done publicly), but these numbers show that's not as easy to achieve or track as we once thought.

MEDIA DIRECTNESS

In a post-cookie online era, in-app engagement has become more frequent and channel “directness” has increased. That means peer-to-peer sharing will also increase as more interactions occur in closed and private environments for consumer and business audiences. This has implications for media planning; how visible the business effects of channel influence are across paid, earned and owned; as well as how well budgets are aligned to where people are influenced.

Today, amplification of paid efforts is not only desirable but essential as more ecosystems are anchored in direct and owned channels. A new dynamic between channels is creating more opportunity to

“Direct mail has evolved beyond its pandemic payday into a key channel for marketers in a post-Web 2.0 world.”

think about which channels are essential (core/anchoring role in scale, attention, engagement and trust); enabling (creating connection, conversion and utility); or energizing (creating cut-through and buzz and amplifying exposure). Ported over to media design, these customer experience design principles provide a way to think about channel planning for a mixed reality of media directness.

DIRECT MAIL RANKS

Right now, direct mail provides a salient opportunity to shift with the landscape while reducing performance risk and offsetting digital inflation and instability. The channel's addressable size and postal code data make it the largest and most precise in Canada. And while digital media is starting to address environmental sustainability, direct mail already has a decades-long head start.

Need further convincing? Let's cut directly to the numbers.

- › In 2021, direct mail saw a 10.4% spend increase, accounting for US\$41.9B, according to Winterberry Group.

Although direct mail only grew 1.6% in 2022, it maintained the 2021 spend spike and had the second-highest non-digital spend of all channels, behind only linear TV. Already the fifth-highest overall spend (search, linear TV, paid social and digital video), direct mail is also the third-highest growth channel behind addressable TV and experiential/sponsorships.

- › In Canada, direct mail revenues grew 14.4% in 2021 and another 5.3% in the first three quarters of 2022, according to Canada Post data. Historically, the United States has had stronger media diversification than its neighbours to the north. Canadian marketers are more digitally invested and far more sensitive to perceived investment risk, which leads them to deeper and faster cuts than marketers in the U.S., according to a Standard Media Index analysis. This makes direct mail performance in Canada even more impressive.

A FOCUS ON MEDIA LIFT

As the individual and collective impacts of media channels become harder to measure via traditional attribution models, methods like econometrics, media-mix modelling and incrementality are re-emerging for their ability to measure advertising effects more holistically. These methods are more involved but do a better job of capturing aggregate performance, as well providing a cross-channel perspective of direct and indirect channel influence.

Incrementality measures the effectiveness of advertising activities (paid, owned and earned), and although it's often misunderstood as attribution analysis, it isn't the same – attribution simply gives conversion credit to different paid (mostly digital) channels, capturing a singular and limited view of marketing influence. Incrementality is about lift – a key aspect to both econometrics and media-mix modelling methods. Did my marketing overall or a particular channel or activity achieve more than if I hadn't done it? What advertising effects did I achieve?

Direct mail has been using incrementality measurement for a long time. Recently, Goodfood worked with Canada Post to understand not only the level of misattribution but also the incrementality of the channel to digital efforts. The analysis found that direct mail was contributing three times more sign-ups than what attribution was giving the channel credit for, resulting in big incremental effects over digital activities alone.

It's all about nuance – accounting for different channel roles, causal relationships, time horizons, effectiveness metrics (not just efficiency metrics) and omni-channel strategies than those needed today. These models are also important in closing gaps between functional silos and ensuring marketing isn't seen as a cost centre.

“Direct mail provides a salient opportunity to shift the landscape while reducing performance risk and offsetting digital inflation and instability.”

- › Direct mail is the only physical media channel left growing and the only physical channel in the mix of direct channels and media data services.
- › Nearly three quarters (74%) of marketers agree that direct mail delivers the best ROI, response rate and conversion rates among all channel options. They also agree that direct mail is a more effective channel for their company than email, according to *The 2023 State of Direct Mail* report by Lob and Comperemedia.
- › Direct mail is one of the most underestimated channels by marketers when compared to the evidence of performance against the top-five-ranked media attributes – increasing brand salience, targeting the right people in the right place at the right time, triggering a positive emotional response, increasing campaign ROI and maximizing campaign reach – according to Ebiquity’s 2020 research, *Re-Evaluating Media for Recovery*.
- › Direct mail is among the three marketing channels consumers trust most when making a purchase decision – trusted by twice as many consumers as online display ads, according to MarketingSherpa.
- › Two thirds of mailers entered the direct mail channel in search of scale or growth,

followed closely by a desire to diversify the marketing mix. Over half of the respondents chose mail to escape the rising acquisition costs of digital channels, according to SeQuel’s 2020 *Direct Mail Benchmark Report*.

- › Demand for digital-to-direct mail solutions is increasing as digitally native DTC brands seek to retarget customers with physical mail media. In the United States, the spend on programmatic direct mail campaigns is forecast to grow at a +27.4% CAGR through 2026, according to Winterberry Group.

As more brands elevate direct by adding DTC strategies to their market-approach creativity, customer experience and relationships become integral to break through and grow. And direct mail just so happens to be delivered to the home (or first place), which is increasingly essential to influencing decision making and filling in customer experience gaps.

A BLUEPRINT FOR DIRECT MEDIA

As things have gotten more direct, they’ve also become less clear. Just look at the challenges brands face: Increased competition. Digital oversaturation. Social media destabilization. Algorithm uncertainty. Even a return of customers to the real world.

The DTC media landscape is packed with challenges and opportunities for marketers to navigate.

It may be the last print-based channel growing. Or the only physical media channel offering data services. Or the last physical direct marketing channel at the table. But the attention direct mail is getting amidst this secular shift is sending a clear message that its value is anything but outmoded or fleeting.

It’s an exciting time for the channel to show how well it plays with other media to anchor, enable and energize the mix. Marketers are already discovering what an easy choice the channel is and how well versed it is in delivering a direct model that connects, captivates and converts – just ask direct marketing and CTV expert Dick Wechsler, founder and CEO of Lockard & Wechsler, who says, “*The future of CTV is direct mail.*” ■

Read More >>

Go to canadapost.ca/incite to download these articles from our issue archive for more on making the most of the direct effect.



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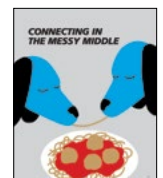
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in the Messy
Middle**

MEDIA SUSTAINABILITY x DIRECT MAIL DATAGRAM



A SCIENCE-BASED COMMITMENT

Canada Post's science-based target to reduce Scope 1 and 2 GHG emissions is **50%** by 2030. As part of that commitment, it is transforming **100%** of its fleet of vehicles to electric by 2040. (As of September 2021, Canada Post was the country's first Crown corporation and among only 20 Canadian firms to have an approved science-based target.)

Source: Canada Post, 2022



LOW EMISSIONS

The pulp, print and paper industry accounts for **1%** of global greenhouse gas (GHG) emissions – **½ the amount** generated by data centres – which makes the sector one of the lowest industrial emitters.

Source: "Is digital really greener than print?," Pepper, 2020



A SUSTAINABLE RESPONSE

Even simple personalization like adding someone's name to a direct mail piece can increase response rates by **135%**.

Source: "Sustainability smackdown: Digital messaging vs. direct mail," Heritage Printing, 2022



CARBON OFFSETTING

With higher email volumes, **offsetting email with direct mail** improves environmentally sustainable marketing. Direct mail in Canada contributes only an estimated **0.0066%** of the total carbon emissions produced by the country.

Source: "Carbon neutral direct mail now!," Prime Data, 2022



MEDIA FOOTPRINTS

All media has a carbon footprint because of the energy used in the supply chain. The internet generates **3.7%** of the world's global emissions — a number that will double by 2025.

Source: "Why your internet habits are not as clean as you think", March 5, BBC, 2020



GREEN ADVERTISING

77% of people globally say they only want to be spending money with brands practising green and sustainable advertising within **5 years**.

Source: "The rise of sustainable media," Microsoft Advertising and Dentsu International, 2022



PAPER IN, PAPER OUT

Paper (recycled more than any other material in North America) has a recycling recovery rate of **70%** in Canada and **66%** in the U.S.

Source: "Is going paperless really better for the environment?," Two Sides North America, 2020

For more information and valuable resources about how to make direct mail more sustainable, visit www.sustainablemailgroup.ca



IN THE NEXT ISSUE

THE CONNECT ISSUE

- › How do brands connect with people who are already connected to everything in their world?
- › See how direct mail connects with other smart media in a digital landscape.
- › Explore where digital connectivity is going next and what it means for marketers.
- › Understand how media sustainability connects to the bottom line and consumer expectations.

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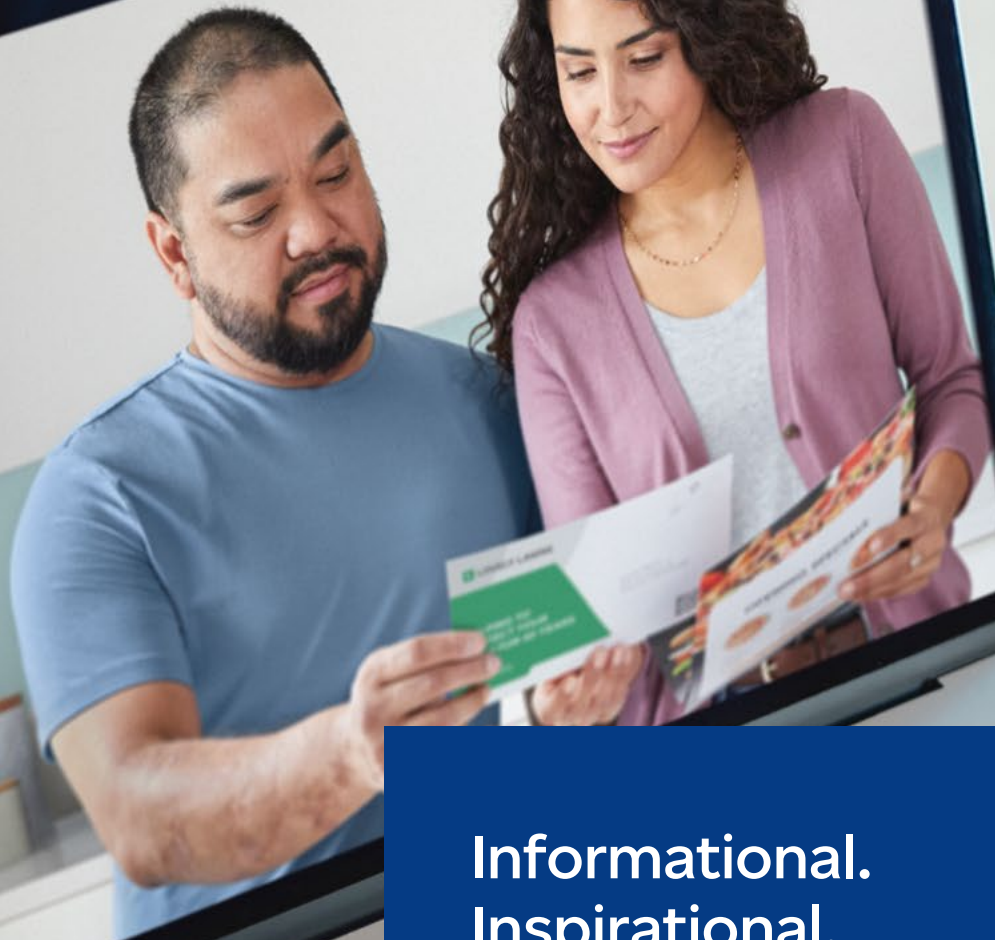
– Paul Tedesco
EVP, Managing Director, TrackDDB

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