

INCITE



INCITE

ABOUT THE COVER

In the fiercely competitive Canadian diaper wars, Huggies topples Pampers to take the top spot for newborn sales. Using an integrated channel mix, the *No Baby Unhugged* campaign targeted moms-to-be – focusing on capturing first-party data to create customer lifetime value.

Turn to page 15 to read how the brand attracted, engaged and nurtured Canadian moms. Learn what Huggies did with direct mail to create an emotional connection – turning content into an unboxing experience.

The cover for this issue of *INCITE* was printed in four colours on a Heidelberg SM102 6-colour perfecting press at 350-line screen with an aqueous coating on Supreme Silk 100 lb cover stock. The flocking effect was created with an adhesive that is screen printed using automatic cylinder presses and then the flocking was applied with a Maag flock machine.

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IDEAS FOR INCITING ACTION IN THE YEAR AHEAD



Hindsight is 20/20. Looking in the rear-view mirror, we all see more clearly. On a snowy November day last year, marketing visionaries Peter Field and Mark Ritson came to town to talk about media, marketing and effectiveness. With data from the past 50 years, they challenged our collective obsession with short-term sales activation. By neglecting our strategic opportunities to build consistently meaningful brands, have we lost the ability to be memorable?

In our new marketing ecosystem, 20/20 vision has become a prerequisite. But how do you look ahead when there's always pressure to deliver short-term results? Surrounded by data, we quickly lose sight of the strands of humanity that connect us – the cultural context that influences what we, as people, marketers and consumers, derive meaning from in our lives.

If strategy is the engine of marketing effectiveness, could culture be the fuel? As more people shop with their values, company culture increasingly has a direct impact on marketing effectiveness – particularly when you consider how little trust consumers have for advertising today.

Eroding trust, decreased attention, a surplus of choice, higher expectations – marketers can't afford to be short-sighted or to shortchange consumer context. Yet, under pressure to grow faster, we are doing just that by reacting to the extremes that come with a marketplace in flux.

This isn't a battle between short and long term, left and right brain, efficiency and effectiveness. It's about balance – creating wise, synergistic decisions that lead to relevant and meaningful connections.

Looking forward to the year ahead, let's make a mental note to seek balance, because that's where we'll find growth.

Esmé Rottschafer

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MARKETING WITH 2020 VISION

IF YOU'RE LOOKING FOR GROWTH, SEEK BALANCE



As we fall head-first into the future, let's not be blinded by speed. We are living in a culture where just about everything happens immediately. Immediate purchasing. Immediate information. Immediate answers. Immediate feedback. No surprise that marketing lives there too.

Digital immediacy brought data immediacy, which created measurement immediacy. This led to short-term marketing and an emotional sense of urgency. In turn, urgency led to closer horizons, increased pressure on performance, greater reliance on data and an obsession over counting metrics. What else? A fundamental decrease in marketing effectiveness – a drop in brand building, creative quality and targeting insight; too much emphasis on ROI; plus crucial gaps in strategic vision and focus.

How did we get here?

In the shift from an industrial era to the age of connectivity, we straddle two realities. For marketers, adapting to new realities brings growing pains, and it's too easy to lose sight of what makes for effective marketing.

SEEKING BALANCE BUT REACTING TO EXTREMES

Marketing is dealing with a case of future shock – too much change in too short of a time. And that creates a feeling of instability. The premature arrival of our future leads to extremes in beliefs, behaviours and reactions as we wrestle with fundamental shifts – in our politics, our social interactions, our technology and our environment.

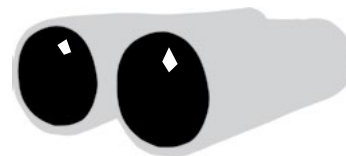
Right now, it feels like we live in a world of contradictions, as we search for equilibrium amid the chaos. Change can't happen without extremes – they lie at the fringe of everything new. However, we can only move forward successfully when we pause and take the time to understand the new marketing economy – in terms of what is changing and why – and find our balance within it. Finding your balance is essential because without it, you are not meaningfully responding to change but simply reacting to it – and knee-jerk reactions are often regretted in hindsight.

BALANCE TAKES VISION

The modern business dilemma is a catch-22, the conflict between thoughtfulness and action. Everyone wants predictable results at the speed of right now. Here's the thing: speed requires more vision, more context, more understanding, more expertise and more discipline.

Short-term strategies lead to real marketing challenges – growth, awareness, brand management, targeting, effectiveness. It's time to take a more balanced view that welcomes both short- and long-term thinking.

WHAT'S YOUR OUTLOOK?



Let's have some fun! Share your honest answers to discover how effective your marketing will be for the year ahead. At a glance, you'll see where you might have gaps to close, clarity to gain and decisions to be made. Easier online? Go to >> canadapost.ca/incite

	NO	NOT SURE	YES		NO	NOT SURE	YES
Our company culture has a positive impact on our marketing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I treat content as an extension of my brand, not as a secondary communication consideration.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I consider growth goals when securing and investing budgets.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I prioritize creativity as an important element of marketing performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I tie my in-market activities to strategic priorities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I organize my marketing strategies around people rather than sales.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I manage my brands to create meaningful value for followers and customers.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I am using personalized, targeted communications to increase relevance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My marketing initiatives are recognizable and distinctive.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I integrate online and offline channels for better results.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have a defined customer experience across all channels.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I'm using more than five channels in my media mix.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My marketing shows that I am equally focused on brand building and conversion.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I cultivate brand users in both my acquisition and my retention plans.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prioritize reach in my media mix to improve marketing effectiveness.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Integrating marketing and sales will improve my lead generation and conversion.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-term value is the foundation of our marketing measurement.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I believe we have a clear and actionable growth strategy, balancing long- and short-term goals.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My KPIs prioritize effectiveness over efficiency.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I am prioritizing quality impressions over quantity of impressions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

So, how does it look? Are you seeing red? Step back and revisit your marketing to improve effectiveness. Are you seeing blue? You might be in need of some strategic clarity. Are you seeing green? Congratulations, it's time for a raise!

MARKETING WITH 2020 VISION

If you're looking for growth, seek balance. Slide into our summary of the most valuable ideas from *INCITE* 2019 – step-by-step footholds that lead to marketing success.

GROWTH

A focus on short term might look attractively shiny, but it could be harmful to your long-term business health. Don't let conversion turn into an addiction that erodes your brand. Invest instead in brand meaning and memorabilia – creating primary demand and increasing pricing opportunity. Your brand is the operating system for your marketing ecosystem – a consumable property in its own right.

- › Focus on profitable volume.
- › Balance brand building with sales activation.
- › Get attention by building word-of-mouth into market activities.

THE VALUE-CREATION ZONE

Do you ever feel we're stuck in an endless buy-now cycle? Before it's too late, hit the pause button, and let's get back into the value zone. That's the zone where you align with customer needs to deliver what the company needs.

- › Customers become more valuable when you do something, not when they do something.
- › Use customer journey mapping to organize marketing around people, not the purchase.
- › Align with consumer values to increase relevance and intent to purchase.

MEMORABLE DELIVERY

The memorable touch wins. In a digital age, we're failing to ensure that our advertising, content and experiences create brand recognition in the market. To be memorable, brands need to be emotional, meaningful and distinctive. The No Frills No Name brand campaign memorably demonstrated how to deliver on recognition. Using its iconic non-nonsense yellow-and-black packaging and a deadpan delivery of messages like, "not an empty can," for its evaporated milk [haha], the content reinforces accessible brand value.

- › Increase recognition by ensuring your brand shows up distinctively in market.
- › Content is your primary conduit for interaction with your audience – be unignorable.
- › Allocate more attention and budget to media that influences memorability.

PERSONALIZATION PREMIUM

Brands create standout value by making personal connections. People no longer subscribe or aspire to one-size-fits-all. Mainstream has become undesirable. Be careful how you ask for/use data, because your request could be just as much a reason to opt out as it is to opt in. Data doesn't give us permission to lose sight of the people who share it with us. Trust will determine brand engagement and intimacy.

- › Personalization needs relevance and context – algorithms aren't very good at this.
- › In-person experiences and physical media also increase personalization.
- › B2B marketing and sales integration leads to profitable account-based marketing.

MEANINGFUL MEASUREMENT

Start with meaning, because that's what differentiates a brand for consumers. Measuring what matters begins with understanding and defining how successfully your company creates value over time. From the C-suite down, aligning measurement to meaning will increase the impact of marketing efforts, because you can't measure value without first creating it.

- › ROI and other efficiency metrics only help you in the short term.
- › Last-touch attribution does not capture the full influence of your media mix.
- › Google's impact matrix helps you connect tactical metrics to strategic metrics.

DIRECT INFLUENCE

Connectivity has opened up a new era of direct, influencing acquisition and retention strategies. Consumers are now brand users. When someone follows a brand on Instagram, for example, they've become a user before even purchasing anything. It means that retention begins with users, not buyers, and relevance is the only way to retain them [stay in their feed]. User expectations are formed by the awesomeness of their collective experiences – across all industries – influencing what we believe all brands should be.

- › Focus on finding and cultivating users both before and after they've bought from you.
- › Be fluid about how you integrate acquisition and retention strategies.
- › Use more than email in your retention strategy to reinforce brand commitment.

Read more >>

Download these articles at canadapost.ca/incite for more about finding your balance in a changing marketing economy:



INCITE 2019 02
Me Myself and Marketing



INCITE 2019 02
Personalization and the Human Factor



INCITE 2019 02
The Value of Values



INCITE 2019 03
Measuring What Matters



INCITE 2019 03
Hey, Mirror Mirror, What Are the Fairest Metrics of Them All?

IF STRATEGY IS THE ENGINE, CULTURE IS THE FUEL



Hilton Barbour, Strategy and Culture Consultant

It is perhaps the ultimate irony that I'm penning this article from the Air Canada lounge as I prepare to spend two days with the Organizational Culture Group at Southwest Airlines in Dallas.

Southwest Airlines is part of a small group of organizations like Zappos, Patagonia and Four Seasons, whose culture has attained almost mythical status. From the storied antics of their CEO and Founder Herb Kelleher [he once challenged another airline CEO to an arm wrestling match over the use of a catchy slogan, rather than spend months "making lawyers rich"] to the litany of YouTube clips featuring the amazing announcements from their colourful flight

attendants, Southwest Airlines is renowned for the passion, enthusiasm and engagement of their staff – from CEO to baggage handler.

There are many articles and business books containing lessons on how Southwest has created and sustained its culture, despite operating in one of the most competitive and cutthroat business sectors. While many other airlines have struggled to remain competitive, Southwest has consistently outperformed the category. Some have slashed their loyalty

programs [I'm thinking United Airlines and its recently reconfigured MileagePlus program, which is purely about dollars spent]. Others have tackled a cacophony of customer outrage on social media [United comes to mind again – dragging a customer off a flight in 2017]. Meanwhile, the folks at Southwest Airlines continue to enjoy unprecedented levels of customer loyalty and an NPS score that would have any CMO salivating.

What is missing from the very legitimate accolades that Southwest Airlines has earned for its culture is the acknowledgement that this has been a very deliberate differentiation strategy deployed by the organization from the outset.

A STRATEGIC CHOICE TO INVEST IN CULTURE

Pointing to the brilliance of Southwest's low-cost, hub-and-spoke business model conveniently forgets that, from the outset, Southwest chose to invest in recruiting stand-out, customer-centric employees. People who create a memorable experience that leaves passengers wanting to come back. People with a deep service orientation that, at the time, was a novel concept – especially from a low-cost airline. That rigour in seeking out true, brand-consistent talent is why less than two per cent of applicants for Southwest roles make it through the recruitment process. Herb Kelleher recognized that talent – the culture of an organization – was going to create buzz and excitement around the new airline and organically generate loyal customers without having to rely on a loyalty program. That's pure marketing genius.

Over the past two years, I've had the privilege of interviewing over 40 organizations around the world about culture and digital transformation.

Digital transformation had captured the attention and the wallets of so many organizations and everyone was clamouring to turn legacy bricks and mortar into digitally deployed experiences – ideally on the tiny screen in your hand. Slow and lumbering organizations were hell-bent on becoming always-on, always-agile organizations that saw fail fast as a tattoo-worthy corporate declaration. In a world where CX was the ultimate consumer battleground to drive NPS and CLV, if you weren't digitally transforming, you were DOA.

What every interview highlighted was that culture, more than any other single factor, was the greatest accelerant or impediment to any transformation, digital or otherwise.

Talking to Starbucks, Globant, Tangerine and even Southwest Airlines – organizations that invest consistently in developing their culture – I uncovered their deep struggles to become more digital, and to transform their operations and people into digitally driven organizations. So, how might organizations fare with less deliberate attention to, and investment in, their cultures?

“The sad fact is that many organizations continue to view culture as some warm and fuzzy, feel-good exercise involving foosball tables, vegan muffins, inspirational posters and trust falls at executive off-sites.”

The sad fact is that many organizations continue to view culture as some warm and fuzzy, feel-good exercise involving foosball tables, vegan muffins, inspirational posters and trust falls at executive off-sites. It's an exercise often solely left to the HR department without budget or C-level commitment until other, more critical efforts have been completed.

Yet culture is perhaps your most powerful weapon.

For the CMO, it's one area of operations that cannot easily be copied. With the barriers to entry getting lower and access to capital getting easier, there are few products and services in any category that can't be copied, cloned or blatantly stolen in today's globally connected economy. In reality, your kick-ass mobile application, ballsy retail limited time offer [LTO] or sexy new micro-niche influencer strategy has probably been torn apart, reconstituted and served up by your competitors within 48 hours of launching.

YOUR CULTURE CANNOT BE COPIED

Nobody else has your organizational history, leadership and decision-making capabilities. They don't have your commitment to seeking, recruiting, training and onboarding talent. Apple and Samsung might both be magnificently successful organizations competing in numerous sectors but their respective cultures couldn't be more different. And that's got nothing to do with being in Palo Alto and Seoul.

For the COO, having a clear, cogent and universally lived culture is the optimal route to operational expediency and organizational clarity. Markets are becoming more connected and consumers more fickle, and avenues to organizational agility are increasingly reliant on complicated supply-chain gymnastics. The ability to have an organization where colleagues can act decisively and are universally aligned on what success looks like – and what delivering that success will require – is nirvana.

CULTURE IS ABOUT HOW YOU BEHAVE AND MAKE DECISIONS

Culture exercises, which end with bland, trite, often inaccurate value statements stuck to the wall, miss the critical requirement to make your culture explicitly about how your people behave and make decisions. Loaded and dangerously ambiguous values like trust, customer-centricity and integrity take on different meanings depending on whether you're a rookie customer service agent facing a disgruntled customer or an EVP negotiating a massive partnership deal.

Sadly, those vanilla values can be found on the websites of many of Canada's top organizations! Those values alone don't help me make the right decisions that will benefit the company and be universally understandable to customers, partners and employees.

Organizations must dig deeper and commit to define, universally share and codify the behaviours they expect of their people. Behaviours that define how the organization intends to differentiate itself with customers, but also how those behaviours will differentiate our behaviour towards colleagues to drive decisiveness.

For the CFO, a culture that accelerates decision making while diminishing duplication and stagnation is tantalizing. With organizational growth resting on the ability to integrate and effectively operationalize a cross-section of mergers and acquisitions – under the intense scrutiny of shareholders, board members, impatient CEOs and the media – having the confidence to say that this particular M&A will hold up and deliver the numbers that Bay Street demands is critical.

CULTURE DEMANDS THE SAME DUE DILIGENCE AS ANY OTHER BALANCE-SHEET EXERCISE

Business graveyards are littered with enormously expensive, time-consuming M&A activities that have turned from diamonds to dogs because of a fundamental lack of due diligence about organizational culture. Canadians across the country have voted with their feet over the decimation of their beloved Tim Hortons brand, and their experience with it, following the acquisition by Brazilian private equity powerhouse 3G. For an organization famed for warm, welcoming and unassuming service, what outcome did we really expect when they were acquired by an organization famed for wringing out

every last penny of operational efficiency across their supply chain? Despite countless research reports, scholarly analysis and real-life examples, the blatant disregard for aligning organizational culture as a core part of an M&A due diligence exercise is astounding.

“...our greatest source of imaginative ideas, groundbreaking strategies and award-winning tactics remains our colleagues. Unlocking that brilliance requires a culture built on limitless possibilities, not constrictive policies.”

Over the course of my own marketing career, the common refrain was that brand isn't just the responsibility of the marketing department. Brand belongs to everyone. Collective actions can have huge brand impact.

CULTURE IS A COLLECTIVE RESPONSIBILITY

Every CMO I know is desperately trying to create an exceptional customer experience at each brand touchpoint. Yet, even in the most digital environments, organizations still rely on humans to imagine, design, create and execute those amazing experiences. How can any of that happen without a culture that has explicitly codified customer-centricity into its DNA?

C-suite colleagues are holding CMOs accountable for innovation. What is innovation but the ability to see beyond the status quo and find exciting new products and services? How is that imagination possible at organizations like 3M, IDEO and Haier without a culture that celebrates pet projects, genuinely believes that great ideas come from fresh eyes and has thrown hierarchical command-and-control thinking out the corporate window?

Despite the massive inroads of machine learning and AI, our greatest source of imaginative ideas, groundbreaking strategies and award-winning tactics remains our colleagues. Unlocking that brilliance requires a culture built on limitless possibilities, not constrictive policies.

If strategy is the engine, culture is the fuel.

Hilton Barbour is a 20-year marketing communication veteran with stints in Toronto, London and New York. His fascination with culture stems from working with companies like Enron and Nokia. His personal mantra is, “Question Everything.” Follow him on LinkedIn or Twitter @ZimHilton.

BRIDGING THE MEANING GAP



Dr. Martina Olbertova, Founder and CEO of Meaning.Global

WHAT'S HAPPENING TO OUR WORLD?

The world we used to know is changing in front of our eyes – affecting the way we perceive it and how we derive meaning from it.

The shifting foundations of meaning we see today – where everything is being questioned and rethought – have a powerful effect on how brands create value in the real world. As context changes, and we no longer know what things mean, it makes it difficult for brands to create relevance – to signal their value. University of Toronto professor and cognitive scientist Dr. John Vervaeke talks about this time as a “cultural disembedding,” which has led

to an ongoing crisis of meaning across our society, brands and businesses.

Building and retaining value in such a world is a daunting task for any brand. When we don't know what things mean anymore, society is no longer cohesive. And if our core pillars of value, trust and social meaning are harmed, the very idea of doing business and building brands becomes challenging.

THE POWER OF IDENTITY

Come this year, we're headed in a new direction of personal relevance, driven by the power of identity. The idea is that if we

understand where people draw identity from, we can build more personally relevant brands.

The consumer paradigm is shifting from aspiration to identity, from ownership to usership and from buying to being. Authenticity is not a trend; it is a 180-degree shift in market dynamics and it reflects a consumer culture that is reorienting from brands to people. It is no longer about people looking up to brands as vehicles of praise, image and social aspiration. Rather, it is now about brands looking up to people and embodying their values to help them express their own authentic identities.

How can brands be the source of our creative expression? How can they reflect who we are and what we care about? How can brands insert themselves into our culture and mirror that meaning?

MEANINGFUL BRANDS CREATE VALUE

No brand is an island. You cannot manage one in a vacuum – set apart from the real world – and call it brand management. Brands grow and retain their value in the context of what surrounds them. They are embedded in the larger ecosystem of cultural and societal values.

People value and consume meaning. Meaning helps us all form a mental image of the world and see our place in it. We consume brands for what they mean to us – for what they represent in terms of our own desires, values and feelings.

Being a brand involves an exchange of meaning. The more meaning you create as a brand, the more value you create for your customers and the more they want to follow you, communicate with you and buy into what you stand for. Right now, sadly, the majority of global brands lack that meaning.

This lack of meaning has a cascading impact on market performance, measurement, marketing effectiveness and, ultimately, the creation of sustainable market value.

MEANINGFUL MEASUREMENT AND MARKETING EFFECTIVENESS

We're buried in data today, but we lack meaning. We need to create new metrics to make sure that we measure not what is expedient, but what is meaningful. We need to focus on what matters to make sure that we measure the things that are inherently valuable to brands and their customers. When all our metrics, reward systems and KPIs are linked to quarterly results, we can't create sustainable value – for our customers or for the organizations

we represent. To measure what's meaningful, we need to re-evaluate the systems we use and set our sights on the long-term vision. Otherwise, brands will never get out of the vicious cycle of marketing for the short term. They'll fail to create long-term value.

Have we compartmentalized and fragmented marketing communication to the point that our messages have become utterly meaningless? We are obsessing over how we deliver content before deciding what will create a meaningful exchange.

“The growing chasm between brands and the world in which they operate means that many of them are bleeding value.”

We need to look outside of our day-to-day operations and take inspiration from the real world to bridge the gap between brands and people.

BRIDGING THE GAP

The growing chasm between brands and the world in which they operate means that many of them are bleeding value. How we manage the day-to-day of our brands and how we measure shareholder value also contribute to this gap. We have to remember that the whole purpose of a brand is to help people buy from you in a marketplace where consumers are already spoiled for choice and convenience.

Cultural irrelevance is one of the biggest barriers preventing global brands from growing successfully and sustainably. To keep brands vibrant, relevant and profitable, marketers must mind the gaps.

THE FOUR MEANING GAPS

There are four fundamental meaning gaps that affect many brands and organizations today. By closing these gaps, you can improve cultural relevance, brand value and marketing effectiveness.

1. THE CULTURE GAP

This gap exists when brands do not participate in culture, or do so inauthentically. The culture gap was very visible in Pepsi's 2017 Kendall Jenner ad, criticized for its “woke washing” – its superficial take on the message of global unity.

It's a gap that results from the superficial use of cultural trends and the inability to navigate cultural complexity. Authenticity matters here. Jumping on the latest-trends bandwagon may seem meaningful – because you're eager to participate in culture – but, if it's not done authentically, there'll be a massive misfire. Using a cultural framework to connect your brand with shifting meaning will ensure you have permission to play in a space that will create value for your consumers.

2. THE CONTEXT GAP

Context is king. Not putting a message in context is as dangerous as taking a message out of context. This gap is created when a brand's intentions don't align with what customers actually see and hear. Dove's body-diverse-bottles ad backfired because the brand's entire legacy and cultural equity is based on the idea of embracing real beauty and creating female empowerment. The ad equated female body types with shower gel bottles.

Always be mindful of the context in which people consume your message, because context has the power to change meaning. Take an objective step back to ensure that

what you intend to communicate doesn't get lost in translation. Your solution is to plan in context. The customer journey isn't just about customer behaviours and channels – it's about meaningful context. Adding this lens to customer journey maps will help you foresee how, in a brand ecosystem, physical context can shift intended meaning.

3. THE TRUST GAP

The trust gap between people and corporations is huge right now. We connect a company's marketing communications with their corporate behaviour. A company's value chain is becoming increasingly transparent and more important than ever in terms of what people think of a brand.

For example, the much-praised Fearless Girl bronze sculpture was commissioned by a bank in anticipation of International Women's Day. The same bank was fined \$5M for not paying women and minorities as much as men. And then there's P&G, who also broke trust when on one hand it invested in progressive masculinity with Gillette, and on the other it charged a pink tax [gender-based price discrimination] on its Venus razor products for women. Thankfully, on the flip side, there's Patagonia – an organization that is known for seamlessly connecting its value chain, products and marketing.

By not delivering on corporate promises, and by failing to do as they say, brands are betraying their customers' values.

To grow your brand value you need to embed integrity into all that you say and do. Corporate values need to be felt by your employees and show up in your shareholder reports, your value chain and your customer experience. Be honest. Honesty is the backbone of all our human relationships.

4. THE SOCIAL IMPACT GAP

Corporations can no longer afford to claim a heroic role without proving they have the capability and credibility to do

so. Brands can, and should, make a social impact because they have the power to do so. Corporate social responsibility is an increasingly important influencer when people choose which brands to buy. In the

“Have we compartmentalized and fragmented marketing communication to the point that our messages have become utterly meaningless? We are obsessing over how we deliver content before deciding what will create a meaningful exchange.”

eyes of their customers, brands can't afford the gap between aspirational goals and actual achievements. Don't take a stand without being able to follow through. Avoid being misguided about brand belief and purpose. Understand what social impact means at a human level, and advocate for the good of people over brands.

BRINGING BRANDS DOWN TO EARTH

If you want to be meaningful and create value, you need to grasp the role your brand plays in the real world. Learn to use your brand as a platform to create a relevant exchange of value. Give your brand the gift of real meaning and set it up to empower people. Your bottom line will thank you.

As we bring 2020 into focus, we all need to promise ourselves to market with meaning. Your customers crave it and your brands need to feed the need. Whatever you create, be meaningful and authentic, because your audience can always tell the difference.

Dr. Martina Olbertova is a leading expert on brand meaning and cultural relevance. She is a social scientist, semiotician and a global brand and cultural strategist. Martina is the founder and CEO of Meaning.Global, a strategic intelligence consultancy founded to help brands and organizations close the meaning gap and adapt to the quickly changing cultural context of the 21st century. She's a contributor to *Branding Strategy Insider*, *Forbes*, *Luxury Daily* and *Luxury Society* and author of *The Luxury Report 2019*. She holds a BSc., an MSc. and a doctorate in media studies from Charles University in Prague.

CASE STUDY

In the fiercely competitive Canadian diaper wars, Huggies topples Pampers to take the top spot for newborn sales. Their integrated campaign targeted moms-to-be, focusing on capturing first-party data to create customer lifetime value. >>

NO BABY UNHUGGED

In the world of diapers, Pampers rules with a 60 per cent market share – almost twice that of Huggies [AC Nielsen MarketTrack]. As newborn sales decreased at almost the same rate Pampers increased, Huggies needed to chip away at its rival in a meaningful way. With limited advertising dollars, the brand set out to reverse the decline in its share of the newborn market. Driving home the very essence of its name, the brand communicated the maternal power of a hug and created deep emotional connections with its future moms.

CHALLENGE

For years, Pampers newborn sales had been increasing at the expense of Huggies. It was time for a critical decision. Should Huggies acquire prenatal moms and secure their loyalty before baby is born, or drive penetration with active-baby moms, where the volume is? The choice would determine the fate of future sales.

Before launching the *No Baby Unhugged* campaign in 2014, advertising spend was thinly spread across the prenatal and active-baby categories. The higher volume in the active-baby segment would result in more margin. It was tempting, but data drove the brand in a different direction.

RELEVANCE

Almost all moms make their first diaper purchase before baby is born, and most stick with the first diaper brand they purchase.

It was these two behavioural insights that caused Huggies to shift its focus to prenatal moms – an audience that needed to be introduced to the soft, comfortable hug put in every Huggies diaper. By acquiring her while still pregnant, it would be possible to secure her loyalty for the whole time her baby was in diapers.



INCITING ACTION

The objectives were clear: build the Huggies brand as being better for newborns, and get prenatal mom to sign up to the Huggies database, so she can start, and stay, with the best. While she might not drive the most volume, the lifetime value of \$2,600 per child, according to AC Nielsen, was worth pursuing.

The brand developed a rigorous targeting cadence from acquisition through to

retention using data and content to deliver relevant messages to women at different stages of motherhood to keep them engaged with the brand.

Focusing on the benefits of skin-to-skin touch, the integrated *No Baby Unhugged* campaigns have included TV, online advertising, social media and direct mail.

Nielsen estimates that Canadians spend \$400 million a year on diapers. Combine that with Stats Canada birth numbers, and

Client: Kimberly-Clark | Country: Canada | Agency: Ogilvy

Sources:

Cassies 2017: <https://cassies.ca/entry/viewcase/33721>

AC Nielsen MarketTrack | Strategy Awards 2017: <https://awards.strategyonline.ca/winners/winner/2017/?e=47023&w=No+Baby+Unhugged>

strategyonline: CASSIES Grand Prix: Proving the power of hugs, Feb 27, 2017 | <http://strategyonline.ca/2017/02/22/cassies-grand-prix-proving-the-power-of-hugs/>

lifetime value is close to \$1 billion. Huggies needed an incentive for future moms to register to their database, so the brand can stay with them as long as their children are in diapers. In an exchange of value for sign-up, moms receive a trial pack of Huggies and the brand receives first-party data, including mom's due date.

No Baby Unhugged has been a multi-year campaign that combines the long-term brand value of emotional connection with conversion in the short term. At the start of the most recent campaign, the sample of diapers and wipes was transformed from a cheap polybag into something worthy of an epic unboxing. The Huggies First Hug Box arrives in the mail and demonstrates the true power of hugs by delivering an emotional message alongside the free product trial. Inside the box, a card lets the soon-to-be mom know that the *No Baby Unhugged* program raises awareness about the benefit of hugs and supplies hospitals with groups of trained volunteer baby huggers.

And then, Huggies reveals that it's made a donation to the program on behalf of the mom-to-be. Her unboxing experience reminds her about all the hugs she can look forward to with the baby she's expecting, knowing she's also helping provide all babies with the best possible start in life.

RESULTS

Using a strong emotional proposition and increasing relevance through data, every year Huggies wins back share from Pampers since the campaign first launched in 2014.

And this strong performance data has resulted in multiple Cassie and Effie awards for marketing effectiveness. Exceeding its acquisition and sign-up targets, Huggies has become the number one brand choice of Canadian hospitals, and the campaign has had a halo effect outside of the consumer newborn category. Thanks to an unwavering focus on prenatal moms and acquiring their first-party data, Huggies in Canada continues to grow while Pampers declines.

- > Huggies has quickly achieved acquisition targets with *No Baby Unhugged*.
- > According to 2017 Nielsen data, the brand tripled sign-ups in the campaign's first year.
- > The value of newborn diaper sales increased by 19 per cent [almost double the target in a category with only 1 per cent growth].

What has set Huggies apart from Pampers and ensured the brand's success is that they have focused on lifetime value. Marketing for

effectiveness, they've engaged prenatal moms, creating emotional connections with them. In return, those moms have been loyal to Huggies throughout their babies' time in diapers.



Case Study Debrief

BRAND Huggies

INDUSTRY Baby Care

Inciting Action

The *No Baby Unhugged* campaign focused on the benefits of skin-to-skin touch, creating a targeting cadence from acquisition through to retention using an integrated channel mix. The brand intimately curated direct mail as a piece of content worthy of unboxing that engaged expectant moms in the Huggies promise and experience.

Results

With an unwavering focus on prenatal moms and acquiring their first-party data, Huggies in Canada continues to grow, while Pampers declines.

Conversion Funnel

Dots indicate where direct mail was used to incite action.



Data Sources

First-party data

Media Formats

Oversized item

Activation Pillars

- Physicality
- Data
- Connectivity

Key Takeaways

- > Balancing CLV with immediate volume pays off.
- > Reinforce and demonstrate brand meaning at every touchpoint.
- > Treat acquisition and retention as a holistic customer experience.
- > Optimize the cadence of physical and digital to increase effectiveness.

CASE STORIES

A collection of inspired work from around the globe and across industries showcasing the many ways modern marketers are using direct mail media to change how customers experience the marketing mix.

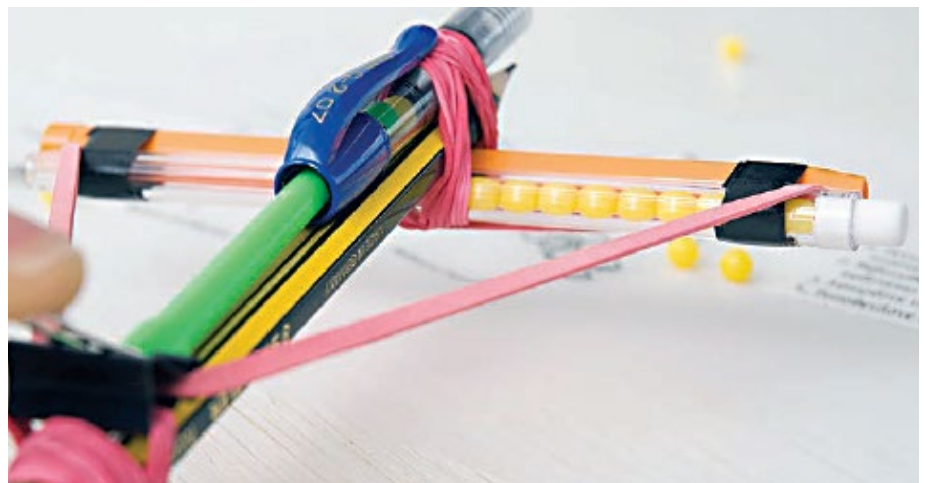
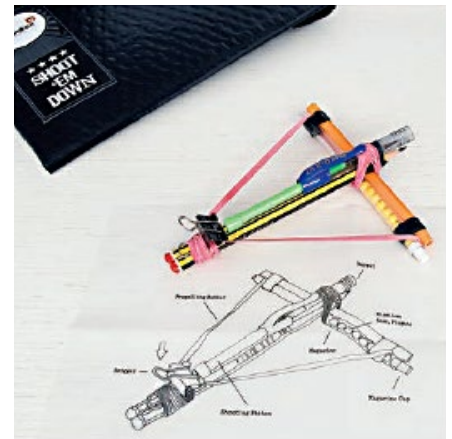
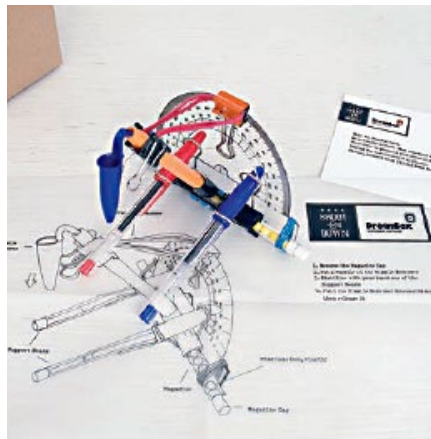
HOW TO HIT A STATIONERY TARGET

This office supplies company used its products to declare war on prices with a creative mailing that engaged buyers to place orders.

In the midst of the economic crisis in Greece, DreamBox Stationery had to reduce prices. What better way to share the news than through the very supplies they were selling? Using pens, pencils, binder clips, rubber bands and a protractor, they found a surefire way to attract attention. Their mailing included a fully operational catapult and crossbow made entirely from DreamBox stationery. They explained how all prices had been shot down, and included a step-by-step how-to-fire diagram.

Designed for friendly intra-desk fun, 100 Shoot 'Em Down weapons were mailed to major customers. Every single one replied to thank DreamBox for the unique gift, and most put in a new order for stationery. Many asked for more weapons to give to friends. Fifty prospects also received the mailing, and more than half signed up to find out more about DreamBox. In just the first wave of orders, the investment was justified ten times over.

When the economy suffers, creativity is often the first casualty. People want to minimize risk. But the biggest marketing mistake is to take no risks at all. This bold marketer got noticed and sales catapulted thanks to an idea that no doubt led to some friendly contests in offices throughout the country. By declaring war on prices, DreamBox elevated its brand with an experience that really resonated and was also amplified through sharing. Where would you aim your stationery weapon? We think every desk should have one.



CLIENT: DreamBox Stationery | PRODUCT: Office Supplies | COUNTRY: Greece | AGENCY: Day6 | AGENCY TEAM: Creative Directors Panagiotis Kavapoulos, Ivan Papadopoulos
Art Director Anna Maria Merivani | Managing Director Panos Theokas

SOCCER SATIRE SCORES

With a fake national team that amused an entire country, a brand hijacked the conversation during soccer's biggest extravaganza.

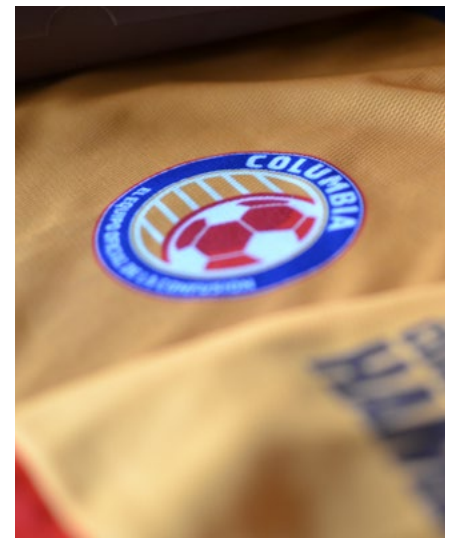
Snickers wanted to increase sales in Colombia by connecting with consumers. It did so by becoming *the* conversation in soccer-mad Colombia during the 2018 World Cup in Russia.

In a brilliant fusion of ideas, they seized on confusion – the fact that people around the world say Colombia to refer to Columbia, an error they blamed on people being hungry [and needing a Snickers bar]. True to the brand's appetite for humour, the creative team fielded a fake team: "Columbia, the official soccer team of confusion." The fake team's jerseys parodied the names of popular stars on the real national team.

The country's top soccer broadcaster was the first to get a fake jersey and have fun with the campaign, making him an effective influencer. Consumers who bought SNICKERS could win a fake jersey – mailed to their door, or for pickup in store.

The brand's global concept became relevant and timely in one market. The brand activated all points of contact: digital, point of sale and direct mail, leveraging every opportunity to enhance relevance.

By taking the field with a Colombian team, Snickers achieved historic levels of engagement in Colombia. It became one of the most influential brands on the World Cup stage – without being a sponsor. The fake team stole the conversation from the national team – selling 180,000 more Snickers in just two months, and no one was left hangry.



CLIENT: Mars Colombia | PRODUCT: Snickers | COUNTRY: Colombia | AGENCY: Proximity Colombia | AGENCY TEAM: General Creative Directors Christian Tufano, Emilio Mutis Creative Director Christian Tufano | Copywriter Diego Rincón | Art Director Juan Camilo Parra | Production Luisa Pinzón, Daniela Martínez, Camila Duque, Edición

FOR WHITER TEETH, TAKE NOTE

Post-it notes were mailed as a simple way for dentists to notice Oral-B's whitening benefits.

The trick when doing a 3D mailing is to ensure it's useful. That's because nine out of ten promotional objects sent through the mail end up in the trash. So when Procter & Gamble opted to use a 3D mailing to reinforce the main benefit of Oral-B Pro-Health Whitening with dentists, it chose something simple, relevant and clever: Post-it notes. But not just any Post-it notes.

The company mailed dentists four pads, which at first glance looked like your typical yellow Post-it notes. However, the paper in the Oral-B pads became progressively lighter as they were used, reinforcing the whitening benefit of the product.

Because the Post-it notes would stay on the dentists' desks for many months, they served as a daily reminder of the Oral-B message. The added twist of the paper getting whiter and whiter meant that the message became even more powerful – and the campaign more effective. What was initially a small direct marketing action ended up impacting over 100,000 dentists throughout Brazil.

This creative solution that was both low cost and highly useful for everyday activities helped to strengthen the connection between P&G and dentists, increasing the share of mind with the Oral-B brand's most important audience.

Using proven media as a way of reinforcing brand benefits, P&G put a smile on everyone's face.



CLIENT: Procter & Gamble | PRODUCT: Oral-B Pro-Health Whitening | COUNTRY: Brazil | AGENCY: Publicis Brazil | AGENCY TEAM: Creative Directors Hugo Rodrigues, Tony Goes | Art Director Sidney Araújo | Copywriter Rodrigo Strozenberg

GETTING IN THE BLACK

RBC partnered with OVO Summit to increase relevance with younger Canadians, using direct mail as an exclusive invitation that was amplified by recipients as a social badge.

How does a large traditional bank attract a new generation of young entrepreneurs who will fuel its future? Partner with Drake of course.

Looking for ways to create brand affinity with a younger generation and to promote its entrepreneurship efforts to that cohort, RBC collaborated with Drake's lifestyle brand OVO. In particular, RBC supported the campaign to drive attendance of the OVO Summit.

The Summit is an immersive conference for Canada's young and creative entrepreneurs. To reach this audience and get it excited to buy tickets, RBC and OVO used a mix of digital and physical channels.

Billboards in downtown Toronto teased the Summit with cryptic messages ["Live it," "Earn it"], a tactic Drake has previously used to promote album releases. A digital spot was launched about Oliver El-Khatib, one of OVO's co-founders, along with a soundtrack scored by producer Noah "40" Shebib, an OVO Sound co-founder and frequent Drake collaborator. And completing the multi-channel campaign was a critical element: 25,000 geo-targeted mailers aimed at Toronto-area youth between the ages of 18 and 29, many of whom snapped pics of their OVO-branded mailer and posted it on social media as an exclusive badge of honour.

The black-and-gold letter that felt more like a prestige credit card signalled the exclusive collaboration between a lion and an owl. The unexpected collaboration of a financial institution and a hip lifestyle brand created both buzz and success.



CLIENT: RBC | PRODUCT: OVO Summit | COUNTRY: Canada | AGENCY: Carry Corp | AGENCY TEAM: Brand Strategist & Founder Stephanie Brownlow | Creative Director Nicky Rei

RISE FROM THE ASHES

Direct mail in the form of bricks put the ashes of a burned-down factory into employee hands as this company made an emotional commitment to a common future.

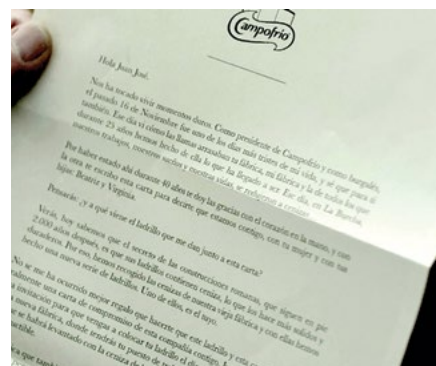
Campofrio's Burgos factory is its largest and most important facility. Nearly half the food the company produces for Spain is made in that building. So when, shortly before Christmas 2014, the building caught fire and was destroyed, the fallout was catastrophic.

Production stopped, market share plummeted and competitors swooped in to fill Campofrio's place on store shelves. Most horrifying of all, the livelihood of hundreds of workers went up in smoke before the holiday.

In cases like this, crisis manuals advise company leaders to say nothing. Pedro Ballvé, Chairman of Campofrio, knew he couldn't do that. Instead, he wrote to every one of the Burgos factory employees and, along with his letter, he included a brick.

Why a brick? The secret to the longevity of Roman construction is in their bricks: they're made with ash, an ingredient that renders them uniquely durable and long-lasting. So Campofrio collected the ashes of the old Burgos factory and turned it into 894 bricks, one for each person who was working in the building the day it burned down.

Ballvé's written promise was that the company would build a new plant with those bricks. In that way, every employee was part of the company's future. It was a powerful and tangible message for workers, as they held their factory's ashes in their hands.



CLIENT: Campofrio | PRODUCT: Food | COUNTRY: Spain | AGENCY: McCann Ericsson, Madrid | AGENCY TEAM: Chief Creative Officer Monica Moro | Executive Creative Directors Raquel Martinez, Jon Lavin | Art Director Rafa Quilez | Copywriter Jon Lavin | Agency Producers Martin Beilin, Guzman Molin Pradel | Production Company La Joya Account Director Jesus Martinez Soria | Account Managers Javier Gonzalo, Elisa López, Veronica Fiz

CONNECTING COMMUNITIES AND IMPROVING LIVES

To introduce itself and celebrate bringing broadband access to an underserved region, Distributel connected to community pride with direct mail.

To many, high-speed Internet is critical to day-to-day life. It provides access to information and services. It connects us with people, places and passions across Canada and around the world. It has even been declared an essential service by the Canadian Radio-television and Telecommunications Commission. Yet, Eeyou Istchee – a vast territory of isolated Cree communities in northern Quebec – had long gone without reliable broadband Internet.

Struck by the unfairness facing these communities, Distributel decided to do something to bridge the digital divide. The telco partnered with Eeyou Communications Network and became the first company to offer high-speed broadband Internet, TV and home-phone services to the region.

Distributel tapped into each community's fierce pride and demonstrated its respect with a series of direct mail pieces in the shape of pennants. To promote Distributel's Internet, phone and television service in the region, Central Station created eight different pennants celebrating eight different communities. The designs were used to anchor the physical and digital campaigns.

The 3D-printed mailers gave the pennants incredible texture and detail, while tailored messaging spoke to each community. The pieces arrived in mailboxes with a community's name proudly emblazoned on the cover and revealing Distributel's branding. Digital and newspaper ads and Cree radio spots targeted the same audiences to reinforce the offer – using a limited budget to drive an increase in sales leads in just five months. Driven by an empathetic campaign, Distributel's new service was a great addition to the neighbourhood!



CLIENT: Distributel | PRODUCT: High-speed broadband, TV, home phone | COUNTRY: Canada | AGENCY: Central Station Toronto | AGENCY TEAM: Creative Director Brad Monk | Associate Creative Director Jeff Millar | Design Director Dave Rodgers | Art Director Steve St. Jean | Account Manager Rebecca Kearon | Graphic Design Ryan Gardiner, Ian Suarez | Copywriter Kyle Elich | Illustration Kevin Moran | Production Artist Dave Mortson | 3D Render Artist Spencer DeWit | Animation Edo Cuallo

THE NATURE OF NURTURING

A bonsai tree mailed to teachers nurtured a new way of thinking about education to reinforce SpringBoard's approach to learning experiences in the classroom.

With so many educational products on the market, it's not easy to get teachers to hear your message above the noise. That's why the College Board, already well known in the education industry for the AP and the SAT, opted for the dramatic when promoting SpringBoard.

Designed for grades 6-12, SpringBoard provides teachers with a math and language arts curriculum for the classroom. It aims to differentiate itself from the competition by offering a more engaging classroom experience, more personal teacher training and digital support.

To reinforce its value for teachers, the College Board created a high-impact mailing that reflected a simple yet compelling idea: SpringBoard breathes life into classrooms in a way that you can see, feel and believe. It did this not with words, but by including a live bonsai tree inside each package. The campaign theme, "This is why we teach," directly addressed and reinforced educators' passion for what they do. The results were as powerful as the concept.

While the benchmark for this effort – a six-to-eight per cent lead-generation rate – was thought to be aggressive, the results soared past it. The campaign landed a 22 per cent in-person lead rate. The sales team rallied to meet the demand of the meetings, and inclusion in curriculum RFPs from these meetings was 100 per cent.

The math is clear. The College Board used direct mail to send a clear message to dedicated teachers, achieving top marks for relevance and return on experience.



CLIENT: The College Board | PRODUCT: SpringBoard | COUNTRY: United States | AGENCY: o2kl advertising | AGENCY TEAM: Creative Directors Richard Eber, John Kopilak
Copywriter John Steinhardt | Art Director Bill Bonomo | Production Heather Cavallo | Account Lead Jim Lurie

***Sincerely
yours,***



In an age of authenticity and increased personalization, letters can communicate more than just words.

Letters of Note was described by the *Sunday Times* as, “The literary equivalent of a box of chocolates – bite-sized and pure addictive pleasure.” Its compiler, Shaun Usher, calls it correspondence deserving of a wider audience. To read it is to walk through history, a reminder of what it is to be human and a visceral illustration of how a simple letter can transform both writer and reader. Dipping into what in many cases were letters originally intended for an audience of one, we discover layers of humanity, personality and authenticity that extend far beyond the words on the page.

OMG – THE QUEEN’S SCONES AND TYPEWRITTEN THANK-YOU NOTES

Who could resist Queen Elizabeth II’s letter to President Eisenhower – sending him her recipe for drop scones? Or the revelation that “OMG” didn’t first come from the mouth of a millennial, but in a letter to Winston Churchill in 1917. A young boy’s letter to Frederick Banting in the 1920s thanks the scientist for his life-saving insulin. Barack Obama sends a short, heartfelt note to Yann Martel after reading *Life of Pi*.

Actor Tom Hanks famously shared his love of typewriters in an opinion piece in the *New York Times*: *I am Tom. I like to*

type. Hear that? While he hasn’t entirely abandoned email, he’s a firm believer that there’s nothing like a typewritten thank-you note, memo, list or invitation. His book, *Uncommon Type*, is a collection of short stories – all focused on the machine he loves.

A HANDWRITTEN REVIVAL

Young entrepreneurs looking for a way to differentiate themselves amid a sea of faceless emails are connecting with their customers using simple, handwritten thank-you notes. With a nod to nostalgia, they’re recreating meaningful exchanges and long-lasting relationships that are saturated with value and lead to loyalty and referrals. Nowadays these gestures can also go viral, as delighted customers share on social media the thoughtful notes they’ve received. Take Hex, a tech-accessory fashion brand. They built a successful business on 13,000 handwritten thank-you notes. This last touch in the purchasing cycle signalled that Hex cares about each customer and hopes they’ll be back to buy again – along with the friends and family who have heard about their experience.

The tangible authenticity of a perfectly placed letter brings with it the promise of renewed value for today’s brands and their followers.

THE ART OF MINDFUL COMMUNICATION

At 24, Jodi Ann Bickley set up onemillionlovelyletters.com offering to hand-write a letter to anyone who contacted her. In the first three months the website received 50,000 visitors. She sees making the time to put pen to paper as a form of mindfulness.

Cunard has been delivering mail across the ocean for over 180 years, and has inspired many, including singer-songwriter Ed Sheeran, who wrote part of his 2017 album ÷ [Divide] on board the *Queen Mary 2*. In a U.K. survey, Cunard and *Sunday Times Style* discovered that one in four people have not received a written letter for at least 10 years but one third said they remembered the content of the letters.

In his book *For the Love of Letters: The Joy of Slow Communication*, John O’Connell pays tribute to the art of letter writing, celebrating the promise and relevance of handwritten letters in a world increasingly driven by technology. Will Gen Z be forced to relive the past by retrieving emails rather than rereading a cherished bundle of letters?

Click, click, clickety-click, click...

With thanks to the following sources:

Letters of Note: Correspondence Deserving of a Wider Audience, compiled by Shaun Usher, was published by Canongate Books Ltd. lettersofnote.com
You can buy copies of the books in the series at booksofnote.com

Why it’s time to revive the vanishing art of letter writing, Nigel Kendall June 27 2018, www.thetimes.co.uk

For the Love of Letters: The Joy of Slow Communication, John O’Connell

ANDY WARHOL AND TOMATO SOUP

A letter can express a point of view, show someone how much they matter, lend support to a cause. There's a special quality to a letter, an authenticity that carries weight and wears emotion well. In this delightful letter from Campbell Soup Company, product marketing manager William P. MacFarland simultaneously promotes his brand and expresses his love of Andy Warhol's art – in particular his silkscreened Campbell's Soup Cans.

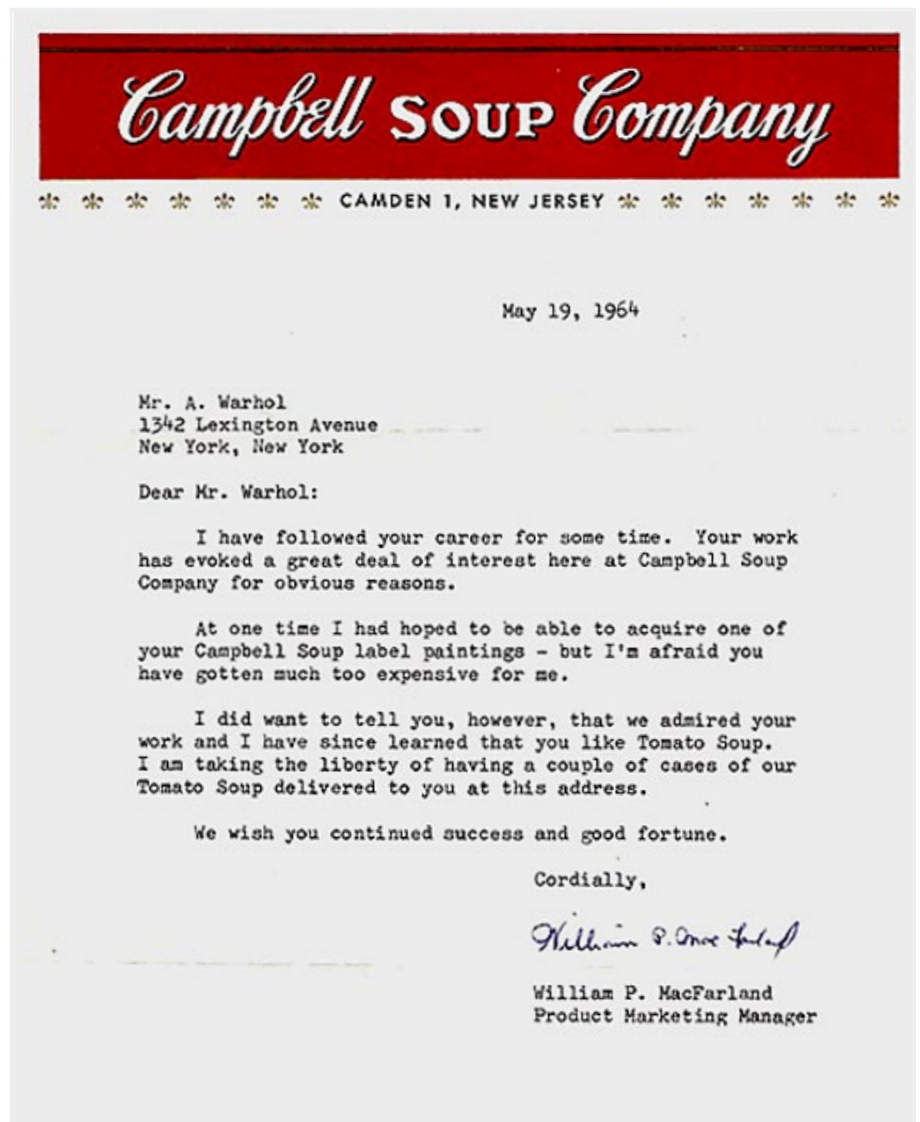


Image source: *Letters of Note and the collection of Warholstars.org*

COMMERCIAL COPY MAKES AN IMPRESSION

In Mad Men days, agencies used letters as a creative device, a disruptive format to amplify a campaign, raise a brand's profile or make a strong statement. It's a practice that was perfectly illustrated by Don Draper in his Season 4 letter to the *New York Times*, "Why I'm quitting Tobacco," and echoed in Goldman Sachs Executive Director Greg Smith's letter of resignation to the same newspaper.

Why I'm quitting Tobacco.

Recently, my advertising agency ended a long relationship with Lucky Strike Cigarettes – and I'm relieved.

For over 25 years, we devoted ourselves to peddling a product for which good work is irrelevant – because people can't stop themselves from buying it. A product that never improves, causes illness and makes people unhappy.

But there was money in it, a lot of money. In fact, our entire business depended on it. We know it wasn't good for us, but we couldn't stop.

And then, when Lucky Strike moved their business elsewhere, I realized here was my chance to be someone who could sleep at night – because I know what I'm selling doesn't kill my customers.

So as of today, Sterling Cooper Draper Pryce will no longer take tobacco accounts.

We know it's going to be hard. If you're interested in cigarette work, here's a list of agencies that do it well: BBDO, Leo Burnett, McCann Erickson, Cutler Gleason and Chaough, and Benton & Bowles.

As for us, we welcome all other business because we're certain that our best work is still ahead of us.

Sincerely,

Donald F. Draper

Creative Director, Sterling Cooper Draper Pryce

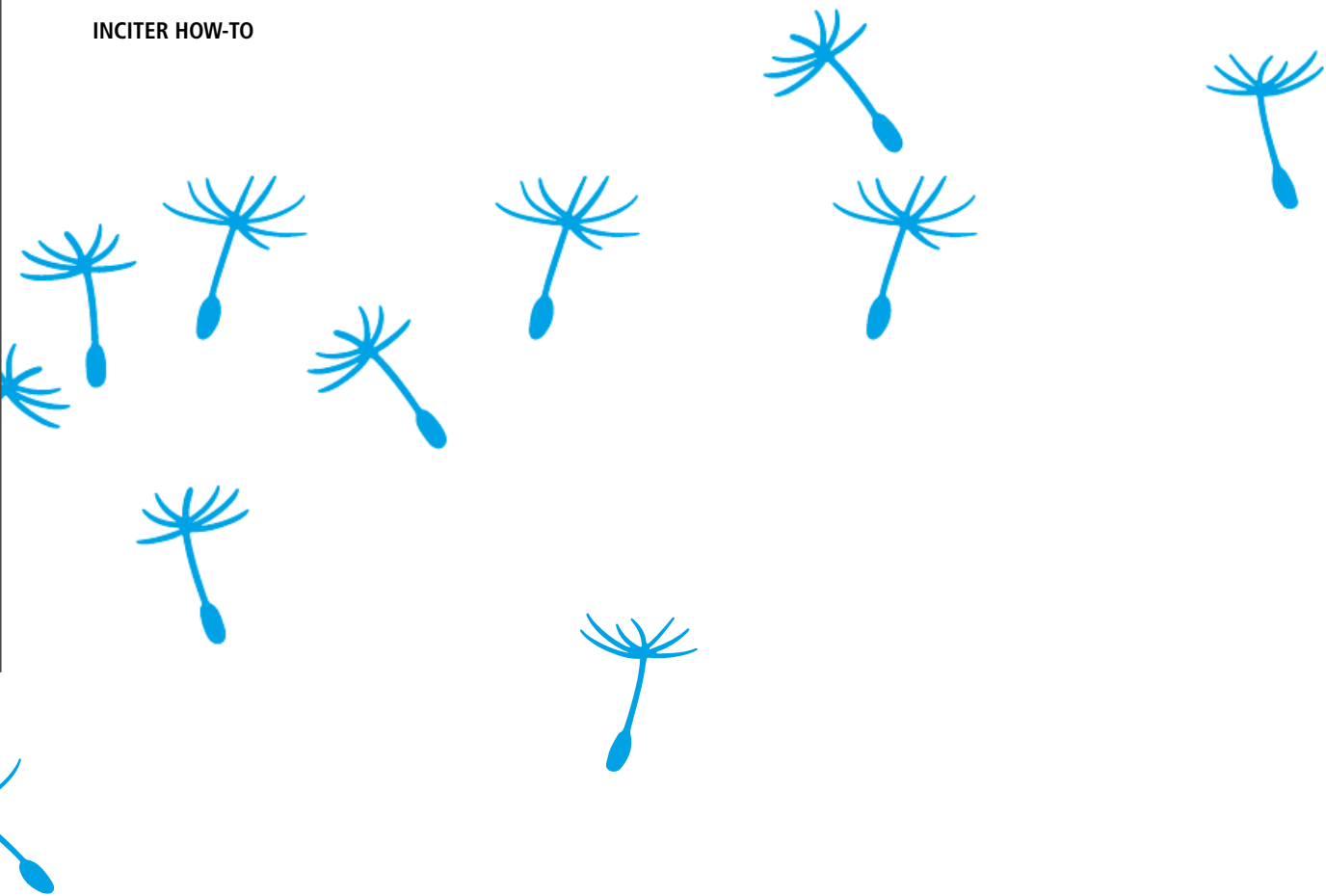
Click, clickety-click, click, click, ding!

***Sometimes a letter
says it better***

DON'T LEAVE YOUR MEDIA MIX BLOWING IN THE WIND

CHANGE IS TAKING MEDIA IN NEW DIRECTIONS





The media landscape is more dynamic than it's ever been. TV is now addressable, content can be shopped, radio streamed online and direct mail delivered programmatically. Even people are becoming media properties. We can listen to radio on the TV and watch TV on our mobile phones. We can even order groceries from a transit ad. Physical stores are becoming media and media is becoming a sales channel.

How people consume media channels, how channels influence each other and what channels can be used to do is far more complex than it's ever been. As ecosystems take over from channels, media needs to bridge marketing and sales distribution. It needs to reorganize around customer experience.

The challenge is that in this new omni-channel reality, the way we compare media and the tools we use to do it have not kept up. We still talk about traditional media versus digital media and distinguish between brand advertising and activation marketing. Media are still reported together as mass media, digital media or direct media.

Take direct mail. Historically, direct mail has been disconnected from the rest of media. As digital took over media [and our lives], direct mail, like other print media, along with physical stores, started to look

less relevant – because how could physical media still be effective? It turns out it's very effective. Research conducted by the Institute of Practitioners in Advertising [IPA] U.K. indicated a mismatch between the channels marketers invested in, and thought were most effective, and the channels that were quantifiably more effective. And yes, direct mail was one of those channels.

As digital gets absorbed into every channel, the industry needs to re-calibrate how it thinks about media, putting biases aside to take a more adaptive view.

Pitney Bowes, a leading customer data and media technology specialist, is re-examining the relationship between channels to re-calibrate media-mix modelling for a more dynamic marketing reality.

WHAT'S THE DIFFERENCE?

MULTI-CHANNEL VS. OMNI-CHANNEL

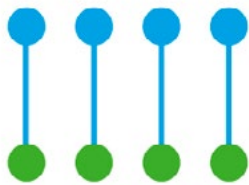
It's no surprise marketers don't feel like they know how to do omni-channel marketing, when the terms multi-channel and omni-channel often get used interchangeably. Behind each is a fundamentally different organizing model for channel management. Both models have a role to play in the marketing ecosystem.

Multi-channel marketing is simply using multiple media and marketing channels

to communicate, engage and sell to a consumer. Each channel operates independently from the other marketing channels, and each abides by its own outlined objectives and strategies.

Omni-channel marketing, similar to multi-channel marketing, involves interacting with customers via various channels. But omni-channel is focused on delivering a multi-channel sales approach that provides customers with an integrated brand experience. So, unlike multi-channel

marketing, where each channel operates separately, the omni-channel approach involves integrating all the different channels to provide a seamless, connected experience. For instance, a person could see ads across many channels but those channels don't work together [time, space, context] within a customer journey – each channel provides a siloed exposure or interaction. You are a different impression at each touchpoint, whereas in omni-channel you are seen as one person.

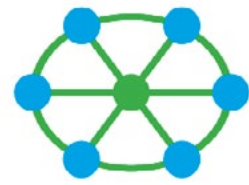


Multi-channel marketing

- › Organized around channel
- › Purchase funnel
- › Promote consistent message
- › Advertising communication
- › Channels don't talk to each other [static]

Omni-channel marketing

- › Organized around customer
- › Customer journey
- › Access consistent experience
- › Brand value creation
- › Channels talk to each other [dynamic]



● CONSUMER ● CHANNEL

QUANTIFYING THE IMPACT OF DIRECT MAIL IN THE MEDIA MIX

Pitney Bowes' attribution modelling quantifies the influence of direct mail on the marketing mix. The following real-world scenario demonstrates the influence of direct mail, as well as the inherent challenges of last-touch attribution [where the last channel leading into the purchase is given credit].

CAMPAIGN SCENARIO

A marketer spends \$10,000 in marketing and delivers 50 orders with a cost per order [CPO] of \$200. All activity drives audiences to the campaign website to place their orders. Orders are attributed to the channel that directly led to the order on the website.

CHANNEL	BUDGET	ORDERS	CPO
Search	\$3K	14	\$214
Display	\$2.5K	10	\$250
Video	\$0.5K	2	\$250
Social	\$2K	6	\$333
DM	\$2K	4	\$500
Direct website	\$0	14	\$0

Based on this scenario, removing direct mail looks like a good decision to improve cost-per-order performance [\$174] and save money [20 per cent cheaper] with the least impact to the number of orders [46].

The marketer removes direct mail from the marketing mix. While the overall spend was smaller [\$8,000], it was less effective.

Orders declined by 15 to 35 total orders and the CPO increased by 14.5 per cent to \$229.

So, what happened?

DIRECT MAIL ACTS AS A RISING TIDE FOR ALL MEDIA

In the mix, direct mail was influencing other channels that were getting the last-touch credit. By removing direct mail, all the orders that were initiated from or influenced by the direct mail outreach were also removed – 15 orders. Last-touch attribution assumes a linear and finite relationship between channel and purchase, whereas people have a non-linear relationship with channels.

Pitney Bowes conducted a match-back exercise to understand the true influence of the direct mail. They looked at all orders that were placed, and matched them up to the data list that was used to send out the direct mail. Where there was a match, credit was

given to direct mail for the order placed [along with the other channel that participated and helped drive the transaction].

For example, some people who received the direct mail later searched for the company in Google, saw the search ad, clicked on it and placed their order – with the search ad getting the last-touch credit. This was also true for people who received the direct mail and went to the website but then left. They were later exposed to one of the display ads through re-targeting efforts, clicked on the ad and came back into the website to place their order. If the direct mail had not been sent, they may never have gone to the

website and the opportunity for re-targeting would have been lost.

“What we’ve found is that of all the channels used, marketing mail is the strongest as a rising tide that raises all other channels. For us, it’s not about physical versus digital but rather the combination of the two driving the best overall performance.” – Pitney Bowes

As this scenario demonstrates, direct mail made the campaign more effective overall and was worth the investment. It plays an important role in amplifying action within the marketing ecosystem and improving effective media response.



EFFECTIVE MEDIA RESPONSE

It takes multiple impressions to create a response. When physical and digital communications work together, they create a more effective response. According to InfoTrends, the media effect when combining web, email and mobile with print is a 45 per cent increase in response rates over a digital-only media mix. Every touchpoint increases the opportunity for brand response, especially when the message is targeted and delivered at the right time. In fact, according to Forrester, 86 per cent of marketers say that combining online channels with offline marketing as part of an integrated and synchronized campaign is critical to long-term

success. Pitney Bowes points to the integration of mail + mobile as an example of synchronizing digital and physical media.

Mobile devices have become the first go-to screen for many consumers, and Pitney Bowes is doing work to combine mobile media with direct mail. Together, mobile + direct mail can easily expand your single-channel campaign into a multi-channel campaign. By adding mobile ads and using mobile data to improve look-alike audiences, timing and campaign tracking, you can improve qualified reach and effective media response.

THE DIRECT MAIL DEBRIEF

The core media strengths direct mail is known for haven't changed. As the media landscape evolves and technology advances, direct mail has picked up some extra skills that further enhance its value to the marketing mix. From 2019 issues of *INCITE*, we've compiled a collection of the most influential ways direct mail can contribute to increasing marketing effectiveness, whether for acquisition or retention purposes.

DIRECT MAIL X BRAND RESPONSE

Effective marketing today means being able to build brand and convert at the same time – generating brand response. In a sea of choice, brand building is integral to competitive advantage. According to research conducted by Peter Field and Les Binet on marketing effectiveness, an over-investment in digital is not delivering it. The advantage of direct mail is that it can be used to attract customers to a brand, or amplify a customer's relationship with a brand. Direct mail combines custom creative and targeting capabilities in a physical format to increase memorable delivery – a key component cited by Field and Binet for improving brand response.

DIRECT MAIL X EXPERIENCE

There's no denying it can be hard to bring together marketing and customer experience – particularly in direct marketing, where the focus has traditionally been on sales conversion and the call to action. Customer experience improves price elasticity, reduces discounting and increases revenue per customer. Direct mail is a fully customizable channel that can deliver content, shopping, customer service, engagement and personalization to either enhance, fill gaps or reduce friction in customer experience. Whether you want to increase

brand attraction, amplify digital experience or deepen brand commitment, direct mail can effectively do it. A customer experience lens on direct mail reduces the number of interactions required to generate a response.

DIRECT MAIL X CONTENT

Brand has never been closer to media than it is today – with content creating a much more attractive and naturally consumable interface for engagement. But content isn't just digital. Treat direct mail like content and you'll get more out of the channel. Use it to increase the value and impact of digital content, leverage socially generated reviews and recommendations or amplify peer-to-peer influence. Increase the effectiveness of social content by co-ordinating it with email and direct mail. Bonin Bough, in a Cannes 2019 interview with David Shing [both prominent digital thought leaders], spoke about the fact that the most compelling content will increasingly start in physical and be amplified through digital. Thinking about content as both physical and digital will improve effectiveness by increasing quality of content, improving channel experience and creating cost efficiencies.

DIRECT MAIL X SHOPPING

Shopping means aligning the customer experience to the way people shop, not the channels they use to buy. Media is retail and media needs to be part of the shopping experience, not something that leads to a shopping experience that only happens in a physical or digital store. Direct mail was built for shopping. It can close the gap between online shopping and physical experience by creating window shopping users can touch. There isn't a more relevant example of direct

mail as shopping than the resurgence of the catalogue. It's the Instagram-worthy complement to digital content, e-commerce and physical stores. Integrating direct mail into retention strategies keeps customers shopping while reducing customer email fatigue and opt-out and increasing emotional recall and basket size.

DIRECT MAIL X PERSONALIZATION

Personalization is fundamentally shifting how brands create value. People no longer subscribe or aspire to one-size-fits-all. While people have come to expect personalization, the level of engagement and trust they have with a brand determines their threshold for intimacy. An *HBR.org* study reported that by 2020, marketers expect personalized recommendations and offers will deliver the most significant ROI for their efforts, followed by in-person experience. These findings support the vital role of physical experience in personalization. Direct mail goes hand-in-hand with personalization, with precise data-targeting capabilities and the ability to customize pieces.

DIRECT MAIL X PROGRAMMATIC

Programmatic-style approaches are now gaining rapid ground in media channels like broadcast, print and out-of-home. Email and display ads are not the only options for re-targeting anymore. The targeting and delivery of direct mail can now be connected directly to consumer behaviour within the online space and to other programmatic media and physical stores. You can now turn abandoned baskets into sales with personalized direct mail. Mobile data overlays provide an enhanced ability to co-ordinate media across the customer journey, improve look-alike audiences and time messages.



Read more >>

Download these articles at canadapost.ca/incite for more about how to increase marketing effectiveness with direct mail.



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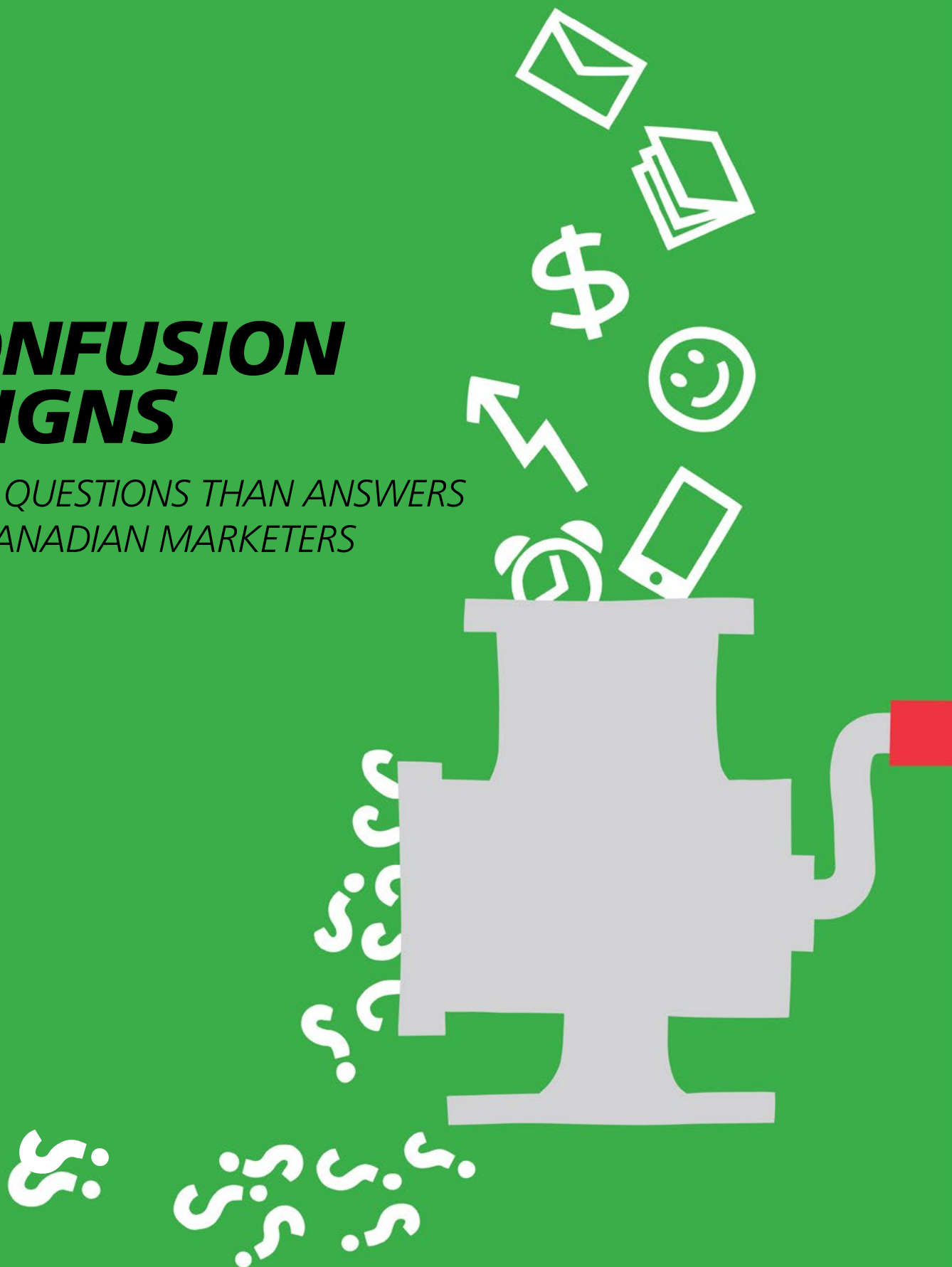
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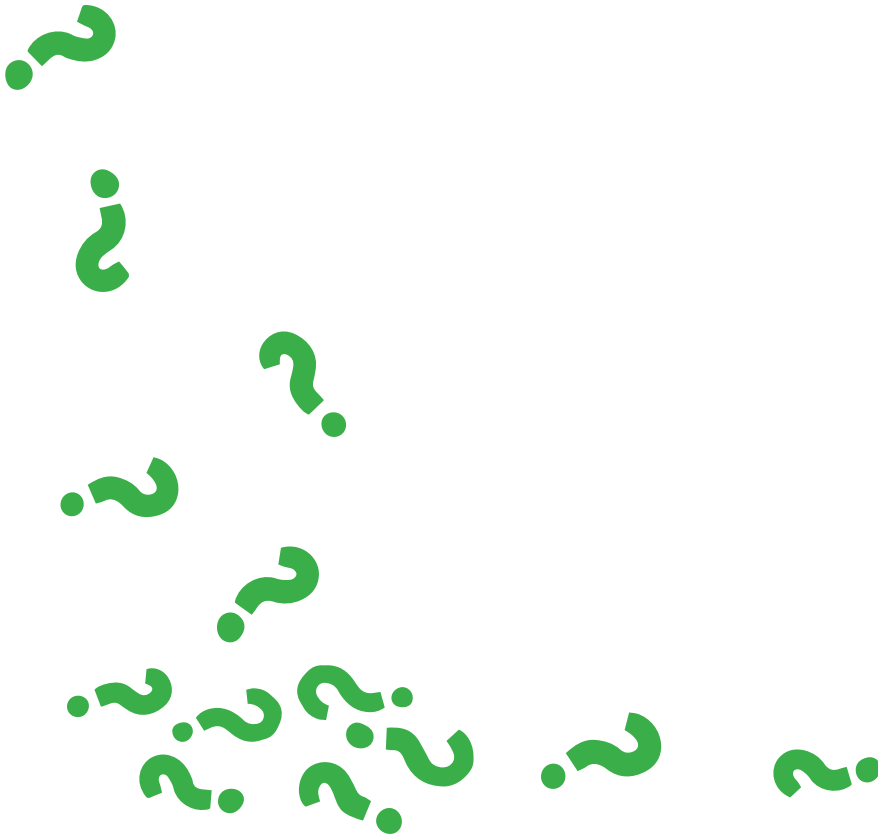


INCITE 2019 03
Performance of a lifetime? It's All About the CX Factor

CONFUSION REIGNS

*MORE QUESTIONS THAN ANSWERS
FOR CANADIAN MARKETERS*





The marketing economy is in flux, and marketers seem unprepared. Canada Post conducted small-scale, quantitative research among 250 decision makers across B2B and B2C business sectors to see how Canadian marketers are faring. The key takeaways from the study conducted by Ipsos suggest that, heading into 2020, marketers have more questions than answers.

IMPLICATIONS FOR EFFECTIVE MARKETING

We need to get a better feel for the changing media landscape and re-examine the relationship between all channels as each one evolves in an era of connectivity. As offline channels seemingly wane and online channels catch a wave, we have to remember that all media is changing – with digital getting absorbed into all channels. While channels retain their inherent strengths, they are also learning new skills, with the help of marketing technology.

If it's time to let go of the term digital, it's also time to let go of our preconceived and outdated notions about the value of different channels in the media mix. Convergence is happening right now between online and offline, physical and digital retail, as well as between brand experience, marketing and sales. These blurring lines make 360-degree channel design a priority. Our marketing view needs to be of the entire ecosystem. The relationship between channels increases the need to focus on the relationship between attention, memorability and experience within the context of the customer journey.

It's up to all us marketers to get back to managing our brands and applying the fundamentals of marketing planning to tie budgets, objectives and consumer opportunity together with channel selection. And, our agencies need to be 360-degree partners in channel design – bringing brand building and activation together around shared humanity, creative ideas and recognizable execution.

KEY TAKEAWAYS

- › Marketers are struggling with brand management in a time of short-term sales activation.
- › Audience targeting is a primary challenge for marketers, along with segmentation and personalization.
- › Marketers don't have a firm handle on channel strengths and weaknesses.
- › Channel selection is influenced primarily by budgets and bias, not by objectives or consumers.
- › Although content is one of marketing's fastest-growing areas, respondents don't understand it well.
- › What marketers often spend time reading about is not directly related to their immediate challenges.

AUDIENCE TARGETING

This is both a concern and a priority for marketers as they seek to increase message relevance and quality of audience composition, as well as conversion. Large CPG companies like P&G are looking to reinvest in reach and quality impressions while e-commerce companies want to target more precisely in digital channels to increase leads and revenue.

One of today's prevalent marketing contradictions has marketers not wanting to pay the higher cost for composition but also not wanting cheap impressions [waste].

"Quality involves viewability but also attention level and context, which have been dismantled by audience-buying practices. We have it backward, starting with cost rather than quality. Until we can correctly measure and price the quality of impressions, algorithms will continue to buy audiences for brands in low-quality environments that make the audience feel bad, to boot." – Faris Yakob [International Strategy and Innovation Consultant]

Forty-eight per cent of marketers chose targeting as their second-highest marketing challenge going into 2020. The first? Media [mix, optimization and sequencing]. Personalization [42 per cent] and market segmentation [43 per cent] were also rated as challenging. According to Econsultancy, 55 per cent of marketers considered better use of data for more effective audience segmentation and targeting a top priority in 2019.

HELPFUL TIPS

- › Be careful when translating target market into media audience definition.
- › Understand the limitations of digital targeting options.
- › Try to aggregate customer data for a complete view.

MEDIA INCONGRUENCE

There's no question that marketers are prioritizing digital media – Ipsos found that respondents expect to invest further in digital in 2020. However, the discord between channel investment and marketing objectives indicates that marketers aren't that sure about how to use media effectively once they've selected their mix to achieve goals.

Marketers say that, on average, they're using five channels, with an investment in digital channels that's more than half of total spend – and dominated by email, paid social media plus other digital/online marketing.

When aggregated, the most significant challenge of the survey respondents relates to media – media selection, media

optimization and media sequencing. Media optimization ranked the highest as a marketing challenge among 54 per cent of respondents. Respondents were asked what the relative strengths of each medium were in regards to addressing business objectives. On average, 50 per cent of marketers answered that they didn't know.

HELPFUL TIPS

- › Diversify your channel mix.
- › Take a 360-degree view of the marketing ecosystem.
- › Connect online and offline channels.

FINDING BALANCE



When it comes to marketing effectiveness, reach still matters. More than this, it's the right combination of reach and targeting across all channels that matters to brand awareness and lead conversion.

"Brands focused on activation will want to focus on likely buyers. But when brand building, there is value in building fame among people who aren't currently in the market." – World Advertising Research Centre (WARC), *Anatomy of Effectiveness*

FINDING BALANCE



The evidence presented by WARC in their white paper, *Anatomy of Effectiveness*, proves that diversifying channel mix improves effectiveness, as does understanding how channels, both online and offline, work together.

"No two channels deliver exactly the same balance of brand building and activation effects. Multi-channel campaigns must take this into account to deliver the optimum balance of media. Email and newspaper deliver similar effects between brand and activation as do social media, direct mail and online." – Les Binet and Peter Field

MEDIA SELECTION BIAS

The biases we apply to particular media when we say they're out of date or old fashioned are as wrong as they are popular. Acclaimed marketing expert and speaker Mark Ritson observed that marketers are consumed with the notion of "death" in our industry, pointing out, "If you look at history, media learns to live together, nothing ever dies."

He presented findings that analyzed more than a hundred studies to compare the evidence on media channel effectiveness against the perceptions of agencies and marketers. The study points to the biases we hold. The findings indicate that digital channels like social media and online display ads are over-perceived as effective when, in reality, channels like radio, magazine and direct mail are more effective.

The Ipsos study mirrored this misconception with 61 per cent of respondents believing that paid social media is the most effective channel for achieving objectives.

Although the study showed an enormous amount of channel misperception on strengths and weaknesses across all online and offline media channels, direct mail offers a striking example of media bias. Respondents ranked direct mail fifth out of 14 channels for providing results but tenth out of 14 channels for perceived effectiveness. As a direct channel, its effectiveness is in its ability to get attention and generate a response.

Marketers who don't use direct mail perceived the channel as out of date.

While the Ipsos data found that all non-digital channels have a higher lapsed use rate than digital channels among respondents, direct mail shows the second-lowest overall decline in use. According to the Association of National Advertisers/Data & Marketing Association [ANA/DMA's] 2018 response rate report, direct mail leads direct media response rates, having increased over 2017, and pulls five-to-nine-times higher response rates than digital direct marketing media [email, paid search or social media].

A perceived weakness of direct mail among non-users is that it doesn't cut through the noise. Yet channel users rated its ability to get attention as a top strength. Ironically, respondents are heavily invested in email, where opt-out rates are increasing due to noise. And, while survey respondents perceive social media as the most effective channel, they also say that it's a channel where targeting is a key challenge.

Significantly, all respondents ranked direct mail as the most targeted channel of all. Non-users, on the other hand, say they don't use direct mail because it isn't targeted enough. Confusion reigns.

HELPFUL TIPS

- › Question your channel biases.
- › Consider consumer context.
- › Don't get sucked into generational stereotypes.

FINDING BALANCE



When it comes to marketing effectiveness, let go of out-of-date media perceptions. Instead, focus on the media value of channels to help achieve objectives, reach an audience and amplify creative execution, because we as marketers are not our customers.

"We keep assuming what's new is better and what's old doesn't work. In the world of advertising we've altered traditional forms of advertising – added components to suit the digital realm, but we've done remarkably little rethinking. We believe that unless you click on an ad it's a waste of time. We favour spending money on the ads closest to purchase, because they show the clearest attribution, not because they necessarily work better." – Tom Goodwin, EVP and Head of Innovation, Zenith Media

ANATOMY OF EFFECTIVENESS

The WARC must-read white paper, *Anatomy of Effectiveness*, summarizes how to advertise effectively in a time of media transformation. We've translated the five principles below into areas of focus for more balanced marketing in 2020.



Sources:

IPSOS, *Canada Post Canadian Marketing Trends Survey*, 2019

Ipsos conducted a quantitative cross-sector, online study among 250 B2B and B2C enterprise marketers who are marketing decision makers across Canada. Media measured in the study included: TV, radio, print, direct mail, email, out-of-home, trade shows, cinema, experiential, paid social media, organic social media, online display, influencers, search, mobile.

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Les Binet and Peter Field, *Media in focus: Marketing effectiveness in a digital era*, IPA 2017

Mark Ritson, *What does and doesn't matter in marketing*, Marketing Week Live, 2018

ANA/DMA *2018 Response Rate Report: Performance and Cost Metrics Across Direct Media*, November 15, 2018



IN THE NEXT ISSUE

MY NAME IS NOT DATA

- › Relevance: The human context of data
- › Targeting for greater effectiveness
- › What does marketing in the moment really mean?
- › Why algorithms don't know everything
- › The data-in-real-time dilemma
- › Staying on target with direct mail

"It's so good! I've been sharing with all my students. Well done, Canada Post."

Simone Moreau-Rodgers,
Marketing Faculty at Fanshawe College

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