

Marketing solutions for **BUSINESS**



INSIDE

How to reach and
attract customers
and clients to grow
your business





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A MESSAGE FROM OUR CEO



“Our goal is to provide you with actionable insight you need to thrive in today’s competitive environment – and we’re excited to help you move your business forward.”

– Doug Ettinger, President and CEO, Canada Post

At Canada Post we are committed to supporting the growth of Canadian business. We know you’re anxious to move your business forward after the recent and unprecedented setbacks suffered by virtually every sector of the economy. We know you’re looking for new customers and clients who will help you get back to business. And we know you’re doing all this while facing increasing competition.

Marketing will be key. But with so many options in marketing today, it’s hard to know what approach will deliver the best results. How do you connect with your best prospects?

How do you get your name out there and keep it there so that when people consider buying the products or services you sell, they think of you. How do you get people’s attention long enough to convince them of the benefits you can provide them with?

We believe that direct mail – what we call Canada Post Smartmail Marketing™ – is the best choice for companies like yours. That’s why we created this important resource about how direct mail can help you overcome the challenges and take advantage of the opportunities you’re facing right now. We’ll show you how you can reach

your best prospects with our powerful targeting tools, resources and partners. We’ll show you how direct mail can help you build awareness for your company and brand. And we’ll show you how you can use direct mail to get referrals and repeat business.

Our goal is to provide you with actionable insight you need to thrive in today’s competitive environment – and we’re excited to help you move your business forward.

A handwritten signature in dark ink, appearing to read 'D. Ettinger'.



"If you want to drive traffic and move sales, Neighbourhood Mail™* is the ideal solution because it's measurable and it works."

– Tony Balakas, Owner, The Park Kitchen and Bar, Calgary

*Canada Post Neighbourhood Mail™ was formerly referred to as Unaddressed Admail™.



5 key challenges facing businesses today

Recent events have impacted all sectors of the economy. As the world works through the recovery phase, marketing will be a key to reconnecting with customers and clients. You need to be savvy in order to win on this new landscape – and it all starts with better understanding it.

Take note of these 5 changes and challenges facing business today.

1

Disruption

The recent health crisis put face-to-face relationships with customers and clients on hold for many companies. At the same time, people have greater access to digital information and online alternatives to the services and products many companies provide.

2

Increased competition

As the economy recovers and companies start to rebuild, competition for customers and clients is likely to be as fevered and fierce as it has ever been.

3

Shifting demographics

The new segments driving today's market bring with them new expectations and needs. Millennials spend more time researching their options for purchasing products and services. New Canadians are increasingly important to the growth of markets and the economy. And the large boomer cohort is retired or soon to, with disposable income and time on their hands.

4

New marketing channels

While connecting and reconnecting with customers and clients has never been more important, it's also never been more complex. With more channels like digital and social to choose from, it's harder to keep up with the best ways to reach your potential customers and clients – because each decision risks wasting your marketing dollars.

5

More to do, less time and money to do it with

During the recovery, companies will be operating in a time-crunched, volatile environment, where every dollar spent affects the bottom line. The solutions for acquiring and retaining clients need to cut through the daily clutter and work.

The good news

These challenges are also opportunities that informed companies can seize. Keep reading. In this resource we'll show you how direct mail can be used, targeted and integrated with digital to help you better connect with the audience that is important to you and your bottom line.



THE POWER OF PHYSICAL

How direct mail can boost your business

Direct mail is unlike any other marketing channel: it cuts through the advertising clutter and gives you what you need most – results. That's why even in the digital age, it remains the go-to channel of successful companies in virtually every sector of the economy.

BUILD AWARENESS AND RECOGNITION

The numbers: When you add direct mail to your digital campaigns, you drive 39% more attention, 10% higher brand recall and 5% greater emotional response.

The insight: Getting your company name noticed and remembered is table stakes for your business, and direct mail is the key tool for making that happen. Companies use direct mail throughout the year to ensure past and potential customers and clients have a physical reminder of their brand, products, and promotions.

The tip: The Canada Post Neighbourhood Mail™ solution can be used to ensure that your brand gets into every home and apartment – that meets your demographic criteria – in your selected area and across the country.

STRENGTHEN TRUST

The numbers: 57% of consumers feel more valued when brands contact them through mail.

The insight: In this new era, trust is critical. You can build trust by reinforcing your experience, featuring your successes and offering guarantees where appropriate.

The tip: From the paper to the design, the quality of your direct mail item reflects the quality of products or services you provide, so make sure your mail items look professional. It's all about credibility.

GET NEW CUSTOMERS AND CLIENTS

The numbers: 79% of Canadians save direct mail received in their mailbox, while 34% of Canadians always or sometimes display advertising mail of interest to them in their homes.

The insight: Direct mail physically puts your brand into your prospects' hands and into their homes. Because it lingers in the home, your direct mail item will continue to work for you until your prospects are ready to reach out.

The tip: Whether it's a special offer or an invitation to an event, include a clear call to action that's easy to locate on your mailer, so recipients know exactly what they're supposed to do.



DRIVE REPEAT BUSINESS AND REFERRALS

The numbers: 68% of Canadians say they are likely to share advertising received in their mailbox.

The insight: A single direct mail piece can live well beyond the day of delivery. When people receive a relevant item in the mail, they'll keep it, display it and even share it with others. That makes direct mail an ideal channel for building repeat and referral business.

The tip: When you build your customer database, make sure it includes their physical mailing address.

PROMOTE YOUR WEBSITE

The numbers: 64% of consumers visited a website after receiving direct mail¹ and 54% engaged with social media after receiving direct mail.²

The insight: Consumers, especially younger cohorts like millennials, prefer to research online before making purchase decisions. You've invested in a website and probably a social media presence as ways to extend your brand and demonstrate your knowledge and credibility. Direct mail is a proven way to create top-of-mind awareness and to drive prospects to your website.

The tip: Use direct mail to encourage website visits for more information.



Integrate your mix

Did you know that compared with single-media digital campaigns, integrated direct mail and digital campaigns elicit significantly more attention?

It's true. People spend 186% more time with integrated direct mail and display campaigns than display-only campaigns – that's 40 seconds vs. 14 seconds. The trick to successfully integrating your mix is to ensure items online have the same look, feel and tone as the items you send in the mail.

1. Swiss Post. *Comprehensive Mail Study*, 2014.

2. Royal Mail MarketReach. *The Private Life of Mail*, 2015.

Retailer combines data and direct mail to convert customers



THE LITTLE BOUTIQUE THAT COULD

DAVIDsTEA is a Montréal-based specialty tea and tea accessory retailer that carries the largest collection of organic teas and infusions in North America. It also designs tea accessories, everything from spoons and infusers to tea sets and travel mugs.

From its modest beginnings in 2008, the company has been offering great selection and unparalleled customer service – a business model that has clearly worked. Its first store in downtown Toronto became a community fixture overnight, drawing enough traffic to inspire growth. The company replicated its model – friendly service, great selection and quality product – to become the largest Canadian-based specialty tea boutique in the country. Today, the franchise has more than 230 stores in neighbourhoods and communities across Canada and the United States, and is the most established tea brand in North America. The little store that could, did. And it is not done yet.

Results of previous campaigns prompt specialty tea retailer to reallocate advertising spend.

DISCOVERING THE POWER OF PHYSICALITY

Through its first decade in business, DAVIDsTEA spent almost all of its advertising budget on digital marketing. Recently it turned to Canada Post to help with a direct mail campaign. The campaign's success encouraged another that resulted in a redemption rate of 40%. Fast forward to the holiday season, when DAVIDsTEA leveraged its own data and Canada Post's targeting abilities to send samples to customers who had not made a purchase in the last 275 days. That campaign generated a response rate of 17% and demonstrated the power of direct mail in converting customers.

USING DIRECT MAIL TO DRIVE RESULTS

Having direct mail as part of your marketing mix can help you better connect with customers and their individual tastes. "Hitting the right people with the right content at the right time is critical," says Jessica Schami, a Marketing Specialist at DAVIDsTEA. Showing consumers how good their product is beats simply telling them, she says. "The samples of tea help because customers can then taste the tea," and the product speaks for itself.

Its early success with direct mail convinced DAVIDsTEA to shift a portion of its advertising budget to Canada Post Smartmail Marketing to address two perpetual business challenges: cyclical foot traffic and ever-increasing competition. Canada Post took it from there.

DOUBLE-DIGIT RESPONSE RATES

In its fall campaign of 2019, DAVIDsTEA mailed 20,000 tea samples to customers, as well as a coupon for 20% off their next purchase. The campaign elicited more than 3,200 redemptions, or a 16% response rate, and a return on investment (ROI) of 2.07. It also showed how simple and clear messaging can produce results. Given its recent success, DAVIDsTEA plans to conduct more direct mail campaigns with Canada Post in 2020.

To learn more about Canada Post's full range of solutions for e-commerce businesses, visit canadapost.ca/ecommerce.

"Hitting the right people with the right content at the right time is critical."

JESSICA SCHAMI
Marketing Specialist, DAVIDsTEA



Direct mail gets consumers amped about bundling home services



A fun, creative approach to spreading the word about a loyalty program helps TELUS achieve a significant increase in lift.

BACKGROUND

At first glance, it looked like a simple postcard-sized folder, with a purple design and the promise of “instructions” inside. Once they opened it, however, consumers suddenly found themselves folding a message from TELUS into a functional cardboard speaker to accessorize their smartphones and play their favourite songs.

This was direct mail that literally “cranked it to 11” — similar to the way TELUS Rewards lets members amplify the benefits of bundling their mobility plan with home services.

THE POWER OF LOYALTY

TELUS Rewards is a free loyalty program available to new and existing customers with two or more eligible services. It awards points for every dollar spent on eligible TELUS Home Services, plus bonus points for things like an anniversary, filling out surveys and more. Those enrolled in the program can choose the rewards they want. The rewards are listed in an online catalogue and include gift cards, TELUS bill credits, charitable donations, On Demand movie credits, the latest tech and more.

Just like great music deserves the biggest possible audience, TELUS

needed to stand out in a competitive landscape and make their current mobility customers aware of the opportunity to join TELUS Rewards and get recognized for their loyalty. The Canada Post Personalized Mail™ solution provided the perfect stage to help get the message out in a fun and creative way that reflected the spirit of the TELUS brand.

INSIDE ‘REWARDS THAT ROCK’

Anyone who has ever watched a TELUS TV commercial or attended a local TELUS event knows how integral music is in telling the brand’s stories.

The unique tactile experience of turning direct mail into a speaker not only reflected the musical history of TELUS, but aligned with a larger multi-channel “Rewards That Rock” bundle campaign that was developed with its agency, The Greenhouse.

Other elements of the campaign included a partnership with the TELUS Future Friendly Foundation and the Sarah McLachlan School of Music that supported organizations that use music to help youth overcome adversity, and promotions that paired iconic tracks with charming critters.

TELUS also ensured that the direct mail piece reinforced its ongoing commitment to environmental stewardship, given that it was made of 50% previously recycled material and was completely recyclable after use.

PROOF THAT DIRECT MAIL GETS FANS WARMED UP FOR MORE

Despite mailing during December, when consumers are often receiving higher volumes of promotions and holiday flyers, the direct mail achieved a 13% lift in customers bundling home services with their mobility plan. More importantly, however, the foldable speaker functioned as the ideal ‘opening’ act to other campaign activities that followed, such as an email message. For instance, the direct mail paired with follow-up emails produced a 30% lift compared to a control group that had been sent email on its own.

In other words, this campaign is proof that when direct mail is used effectively, customers will be ready for an encore.

To learn more about how we can help you enhance personalized communications with your customers, contact your Canada Post Sales Representative, or call us at 1-866-282-8053.

Increase the value of your customers with personalized direct mail

Uniprix adds personalized offers to its Christmas catalogue and is delighted with the results



TAKING ON RETAIL GIANTS

Uniprix Group is Quebec's largest group of independent pharmacists. Its members are known for caring about the well-being of their local customers as their friendly neighbourhood pharmacist.

The group needs to play smart to compete with mass merchandisers and generate traffic in its stores.

CLOSE TO CUSTOMERS, IN EVERY WAY

Uniprix's personal approach extends to its advertising campaigns. For the 2014 Holiday period, the company added offers to its Christmas catalogue exclusively for its most loyal Beauty Card program members.

Some 20,000 customers were entitled to \$5 off with every \$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.

OFFERS ADJUSTED TO BASKET VALUE

To ensure the best offer to its loyal customers, Uniprix conducted an RFM analysis. With this method, customers are scored according to the recency (R), the frequency (F) and the monetary (M) value of their purchases. The theory is that the most active buyers are most likely to respond to an offer. And the physicality of a direct mail can reinforce this behaviour.¹

"Personalized mail is a natural choice for a company that aims to be close to its customers like ours," explains Caroline Blazy, Relationship and Digital Marketing Manager at Uniprix. "It strengthens the bond with our customers. What's more, any undeliverable mail helps to keep our mailing lists up to date, and the bar codes provide us with important data for future campaigns."

"The offers motivated our customers to buy more products and we will fine-tune them further in our upcoming direct mail campaigns," says Ms. Blazy.



This campaign was done in French only.

HEALTH RESULTS

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).

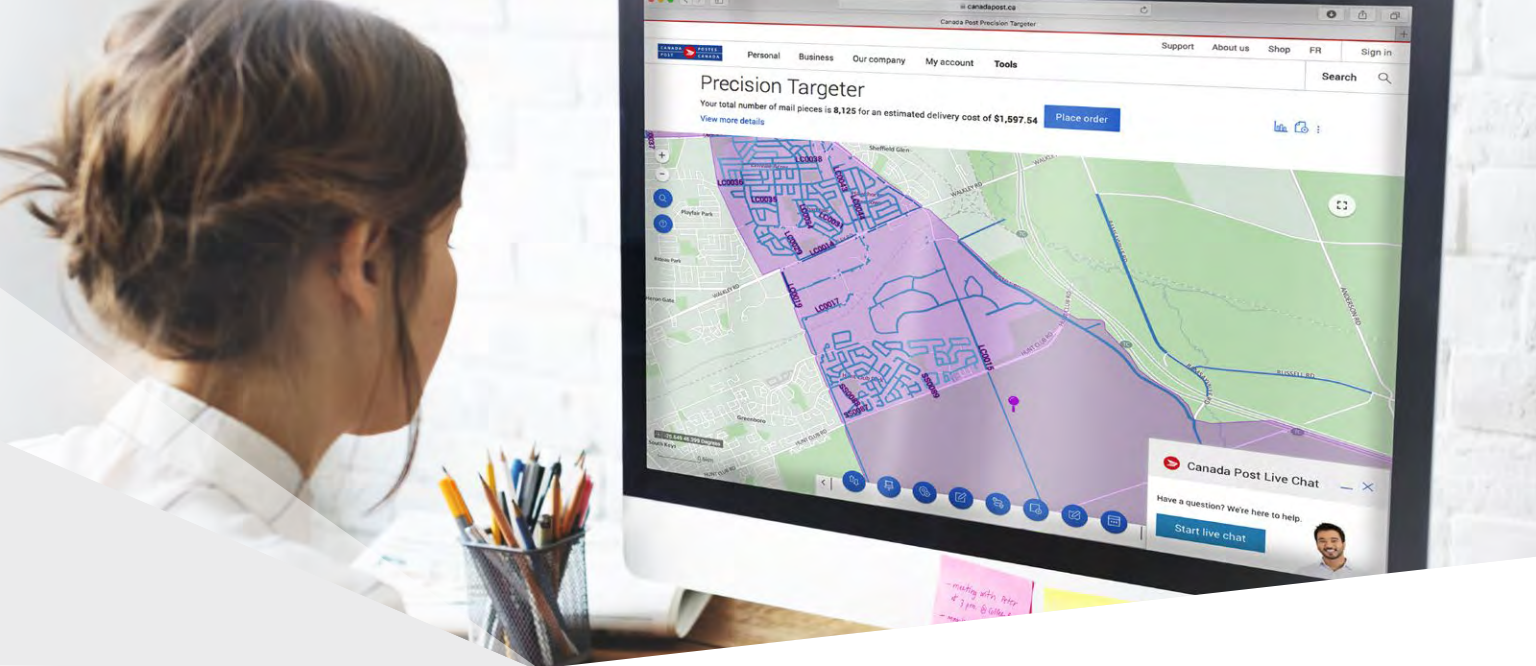
To learn more about Canada Post's direct mail solutions for customer loyalty, go to canadapost.ca/smartmailmarketing.

1. Canada Post, *Breaking Through the Noise and A bias for Action* white papers, 2015.



Getting started with direct mail

Determining who to target is critical to the success of your campaign and Canada Post offers options on how to approach this important step: you can do it yourself with Canada Post's online tools, or for more complex targeting, you can work with a Canada Post Data Advisor. If you need support with more than targeting, one of our expert partners can help you from start to finish.



CANADA POST'S PRECISION TARGETER™

Finding the people that you most want to target is a critical success factor for you. We can help you achieve this goal, thanks to our free and easy-to-use turnkey solution, Precision Targeter. It helps you home in on prospects with the most potential to become customers. With its interactive maps and rich demographic data such as age, income, education and marital status, Precision Targeter can filter searches based on 14 demographic categories so that campaigns are more likely to resonate with the kind of prospects that make the most sense for your business.



MILLENNIALS

To target this up-and-coming cohort with Precision Targeter, you could select these filters:

Age range: 23-40

Household income: \$80,000+

Marital status: Married, common law



GENX

To target these individuals nearing the peak of their careers with Precision Targeter, you could select these filters:

Age range: 40-55

Household income: \$200,000+

Marital status: Married



BOOMERS

To target these often affluent individuals with Precision Targeter, you could select these filters.

Age range: 56+

Household income: \$150,000+

Marital status: Married

Learn more about Precision Targeter at canadapost.ca/precisiontargeter.

MORE WAYS TO TARGET YOUR BEST PROSPECTS

“Postal Code Targeting is a really cost-effective way for organizations to reach a specific audience with a specific message.”

– Steinbach Credit Union

CANADA POST DATA ADVISORS

A Canada Post Data Advisor can help you optimize your campaign by using Postal Code Targeting to reach prospects in neighbourhoods where your current customers and clients live. As the saying goes, birds of a feather flock together. Our Data Advisors can also provide you with access to mailing lists of individuals matching your ideal prospect who you can reach directly via addressed Personalized Mail™.

CANADA POST'S SMARTMAIL MARKETING PARTNER™ PROGRAM

Canada Post is connected with more than 250 partners across the country who are direct mail marketing experts. Companies use partners for a variety of reasons:

- to develop creative that drives consumer attention, emotional engagement and brand recall;
- to better integrate their marketing mix across channels;
- to ensure their mailings meet all print and processing requirements.

In addition, companies can access targeting and campaign integration through a designated Smartmail Marketing Expert Partner™. To connect with our expert partners and local partners, visit canadapost.ca/directory or see the list on the following page.



Smartmail Marketing
Partner





Your direct mail design checklist

To optimize your direct mail for results, make sure it has these features:

- ✓ **A strong call to action:** Whether it's to redeem an offer, attend a webinar or for a free consultation, make sure your call to action is specific, easy to understand and easy to find.
- ✓ **Clear and concise text:** Don't overload the page with too much copy, it's a turn-off.
- ✓ **Simple design:** Avoid cluttering the page – that makes it harder to digest your message.
- ✓ **Action-oriented words:** Use clear and concise language to motivate your audience.
- ✓ **Eye-catching visuals:** Use high-contrast imagery and bright colours – it can make your piece stand out.
- ✓ **High quality:** Use high-res images, good paper stock and a reputable printer. Proofread your copy. This will strengthen your trust factor.

Learn more about how to create direct mail that works
in our new *Essential Guide to Direct Mail: Everything You've Ever Wanted to Ask*.
canadapost.ca/guidetodirectmail

Build your business with Canada Post

To learn more about integrating direct mail into your marketing mix, visit canadapost.ca/betterresults, connect with your Sales Representative or call our Commercial Service Network at **1-866-757-5480**.



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