

Marketing solutions for **RETAILERS**



INSIDE

How to connect
with customers and
grow your business





3 A message from our CEO

Our mission: to help you move forward and build your business.

4 Challenges facing retailers today

Attracting and retaining customers and clients in the post-disruption era.

6 The power of physical

How direct mail can help move your retail business forward.

8 Success stories

How retailers are using direct mail.

13 Getting started with direct mail

Targeting services and Canada Post partners that help you connect with your best prospects.

17 Your direct mail design checklist

Tips that can help you make direct mail work for you.

A MESSAGE FROM OUR CEO



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

– Doug Ettinger, President and CEO, Canada Post

Canada Post is committed to supporting the growth of Canadian retailers. 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 who will help you get back to business. And we know you’re doing all that 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 stay connected with current customers

while attracting new shoppers to your store or e-commerce site? How do you get your name out there so that when people are ready to shop, they think of you. How do you get people’s attention and convince them that you’re offering what they want and need?

We believe that direct mail – what we call Canada Post Smartmail Marketing™ – is one of the best choices for retailers like you. 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 store and brand. And we’ll show you how you can use direct mail to get people to your store or e-commerce site.

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

A handwritten signature in black ink, appearing to read "D. Ettinger". The signature is written in a cursive style and is positioned below the text of the CEO's message.



5 key challenges facing retailers today

The retail sector was heavily impacted by recent events, which included forcing many retailers to close their stores for months. As the world works through the recovery phase, marketing will be a key to reconnecting with shoppers. 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 retailers today.

1

Disruption

The recent health crisis closed most bricks and mortar retail stores and shifted shopping and buying online – at worldwide volumes forecast for 5-6 years from now.¹ Working from home has shifted retail category priorities for many, with home and housewares taking precedence over products like work apparel. During the recovery, buy local has become a mantra in communities across the country, and new health rules and protocols are impacting the physical, in-store experience. For retail, it really is a whole new world.

2

Increased competition

Retailers who survived the recent turmoil were smart, resilient and adaptable. Those same qualities will make them fierce and formidable competitors as the economy recovers.

3

Shifting values and needs

Retail consumers had to adopt new habits and were exposed to different choices during the height of the health crisis. Many also saw their incomes significantly impacted. How they spend and how much they spend – and on what – will be a significant challenge for retailers to address.

4

New marketing channels

While connecting and reconnecting with customers 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 shoppers – because each decision risks wasting your marketing dollars. If more are buying online, is reaching them only online the most effective approach?

5

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

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

The good news

These challenges are also opportunities that informed retailers 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 shoppers you need to attract in order to succeed.

1. Data sourced from CC Insights, Emarysis 2020, <https://ccinsight.org/>



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, puts your retail brand into the hands of potential customers, and lets them spend time with your product selection and offers.

STAY TOP-OF-MIND

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: You've got to maximize every opportunity to stand out, win people over and bring them to your stores and e-commerce site. Retailers use direct mail to ensure past and potential customers have a physical reminder of their brand, products, and promotions.

The tip: Use direct mail to give your promotions a boost, get the word out about new store openings, and encourage repeat business.

MAXIMIZE TRAFFIC DURING PROMOTIONS

The numbers: 57% of consumers feel more valued when brands contact them through mail. 79% of Canadians save print advertising brought into the home, 68% of us are likely to share that direct mail, and 34% of us always or sometimes display advertising mail of interest to us at home.

The insight: That's a lot of opportunity for sustained brand exposure, reminders of location openings, and special offers and coupons.

The tip: Use multiple channels to support promotions. Complement digital campaigns by incorporating direct mail with trackable coupons to reinforce your message.



DRIVE CUSTOMERS ONLINE

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: Online ordering and app downloads are critical to your business. Both offer added convenience for your customer, and they also allow you to capture valuable data on your customers.

The tip: Use direct mail to encourage website visits and app downloads.

EXTEND YOUR REACH

The numbers: More than 1.9 million Canadians live in apartments or condos and only Canada Post delivers mail to those addresses.

The insight: Many of your high-frequency customers live in apartments and condos. In large urban centres, you'll find singles, millennial couples and retired boomers in residential towers.

The tip: Get results by using direct mail in a target-rich environment like this.

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

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



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.

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