

# Using direct mail to find new customers and generate huge returns

After successfully expanding into Canada, Wayfair needed a partner to help identify targeting opportunities in this new market. Working with Canada Post produced actionable insights.

## EXPANDING THE BUSINESS AND MAXIMIZING GROWTH

For years before retail giant Wayfair launched its Canadian website, many Canadians were already shopping on the U.S. site. “We benefitted from the halo effect of the U.S. market,” says Davinder Singh, Head of Marketing at Wayfair Canada. The Canadian customer knew the brand and understood the value proposition.

Specifically, that included 10 million SKUs of furniture, storage solutions, appliances, home décor and more, all at various price points and in various styles. “Combined with exceptional customer service, ease of check out and fast delivery, it was a winning combination,” says Singh.

Strong demand from Canada led the company to hypothesize that the market was underserved. “We thought we could benefit the customer by creating a holistic experience, where you shop at a Canadian website, in your local currency and don’t pay duties on top of the prices,” says Singh. By 2016, wayfair.ca was up and running. “Two years later, we have achieved a level of brand awareness similar to that of the U.S.”

Still, sustaining and growing a new market requires on-going research. That’s not a problem for Wayfair. “As a company, we’re data-driven and testing-oriented,” says Singh. “Every decision we make is tested and once it’s successful,



we scale it.” With their Canadian market, there were two areas Wayfair wanted to explore: acquisition and remarketing. And the timing was right.

Using data from over 3,000 shippers, Canada Post had created an e-commerce index that identified postal codes with the most active online shoppers. The company believed this exciting data held other targeting intelligence.

Along with Canada Post, Wayfair designed a test, launched the campaign and analyzed the results. “Working with Canada Post gives us an early start with new targeting opportunities and their impact on our customers,” says Singh. The partnership also brought insights the company could use.



## TEST 1: COULD A DIRECT MAIL CAMPAIGN GENERATE EVEN MORE CANADIAN CUSTOMERS?

The goal of this acquisition test was to answer two questions: Is Canada Post accurate at identifying online shoppers? And, are those shoppers motivated by direct mail?

To find answers, a test group and a control group were formed. The test group was created using Canada Post's proprietary e-commerce audience list. It includes postal codes where Canadians score high for online shopping, meaning they do more of it than other Canadians. For the control group, Canada Post profiled Wayfair's customers to create a shopper lookalike list for the company.

To test, Wayfair mailed 100,000 postcards and as many mini-catalogues to each group using Canada Post's Postal Code Targeting delivery method.

Since both Canada Post and Wayfair wanted to test acquisition, all of Wayfair's existing customers were suppressed. That way, only new customers received the message, which included an offer of 10% off any purchase.

The results were strong and clear: When it comes to identifying shoppers, the e-commerce audience list provided a 90% lift over the control group.

E-commerce shoppers are also receptive and responsive to direct mail: The response rate from shoppers who received a postcard or catalogue was 19% higher than that of the control group.

## TEST 2: IF THE COMPANY ADDED DIGITAL TO THEIR OUTREACH, WHAT WOULD THE IMPACT BE?

This remarketing test was designed to determine how to get shoppers who had abandoned their cart to come back and complete a purchase. Could direct mail bring them back and, specifically, would direct mail, in conjunction with digital outreach, be more effective?

Wayfair worked with Canada Post and one of their expert partners, Prime Data, to examine customers who had abandoned their carts as well as the category of goods they browsed before abandoning their carts.

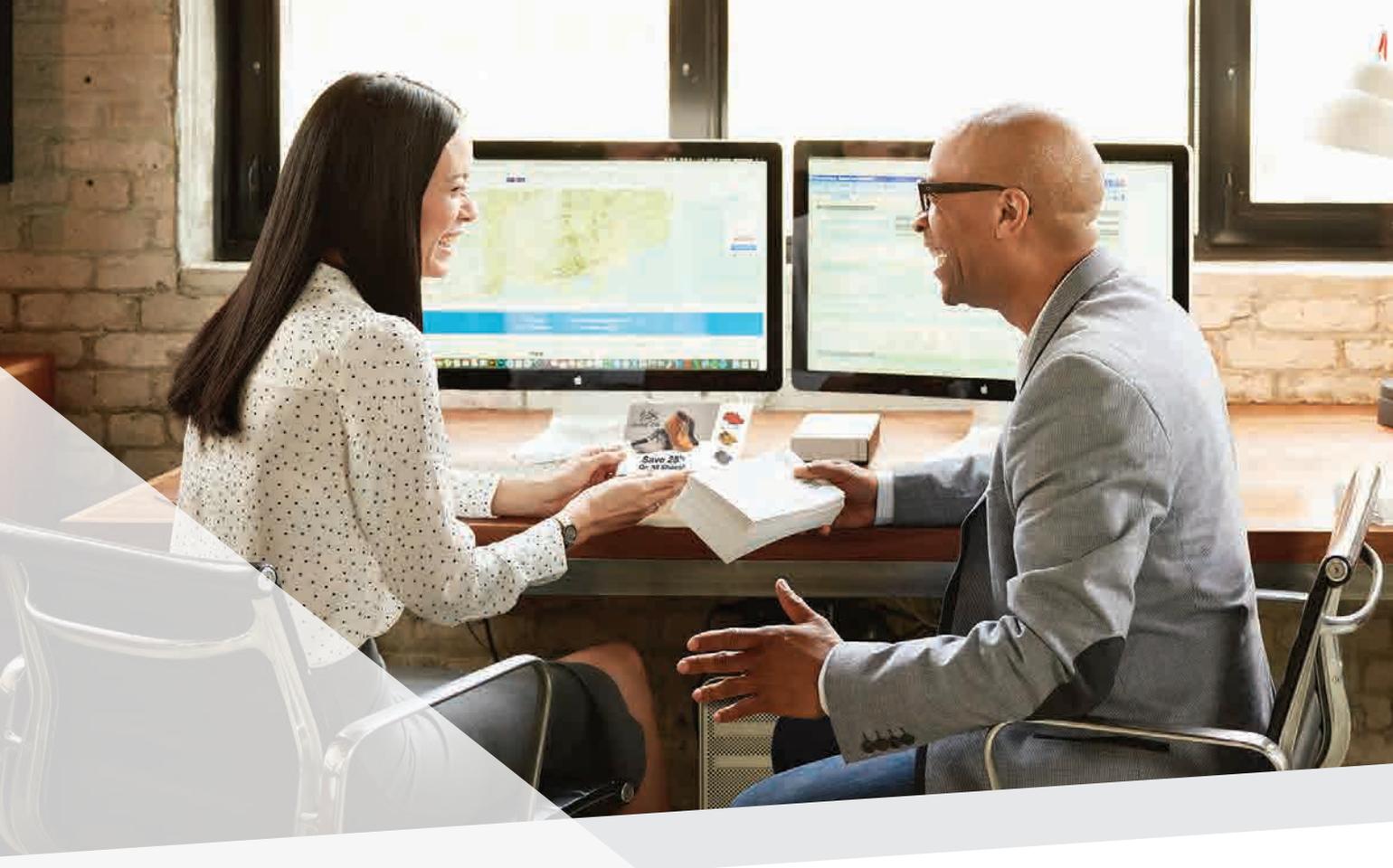
"The direct mail retargeting response rate was about double the digital-only retargeting response rate," says Singh.

Those two tests were part of what Singh calls "phase one" of the company's research. "What we do from here is even more important, and our relationship with Canada Post will continue to evolve."

**"The customer doesn't think of themselves as a physical or digital customer – they engage with you through multiple channels."**

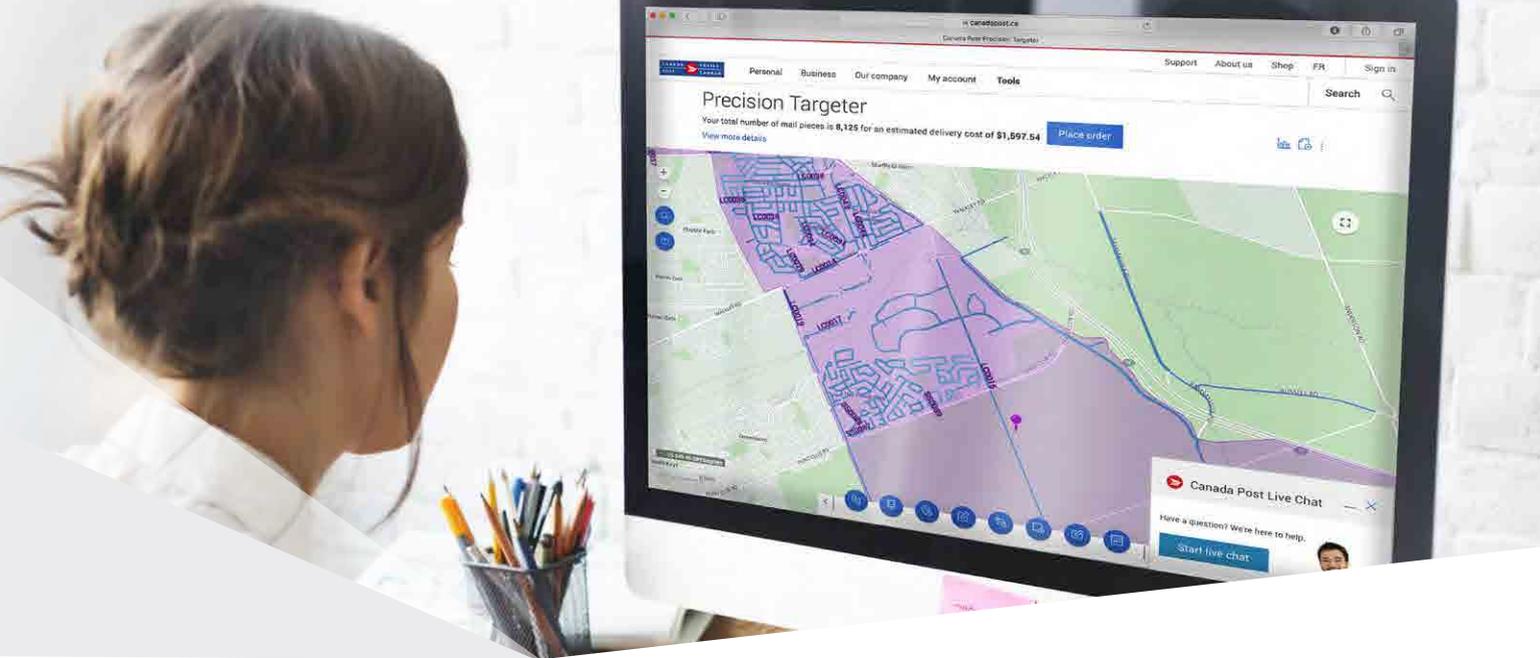
DAVINDER SINGH  
Head of Marketing, Wayfair Canada

To see how Postal Code Targeting can help you reach your best prospects, visit [canadapost.ca/postalcodetargeting](https://canadapost.ca/postalcodetargeting).



# 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 retail business.



## MILLENNIALS

To target this up-and-coming cohort with Precision Targeter, you could select these filters, but reach an even more precise target by selecting for children:

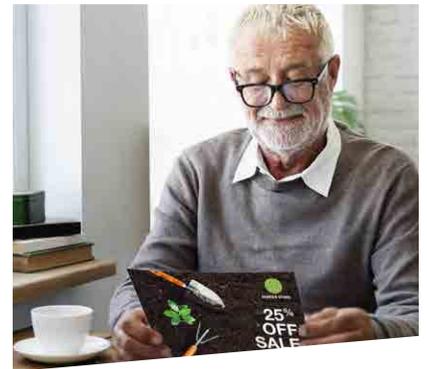
- Age range:** 20-37
- Household income:** \$80,000+
- Marital status:** Married, common law
- Children in household:** Y/N



## POTENTIAL FREQUENT PURCHASERS

To target these high value shoppers with Precision Targeter, you could filter based the characteristics of your most frequent/loyal customers:

- Age range:** 35-50
- Household income:** \$200,000+
- Marital status:** Married



## BOOMERS

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

- Age range:** 60+
- Household income:** \$100,000+
- Marital status:** Married

Learn more about Precision Targeter at [canadapost.ca/precisiontargeter](https://canadapost.ca/precisiontargeter).



## 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 Canada Post 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](https://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 a coupon or take advantage of a limited time promotion, 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](http://canadapost.ca/guidetodirectmail)

# Build your retail business with Canada Post



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



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