

INCITE

///scratch.here.now



INCITE

ABOUT THE COVER

The scratched cover of this issue of *INCITE* reveals the three-word address of a famous Canadian landmark. Head to page 17 to read how what3words spread the news about its geocoding addressing system with a letter in the mail.



Your cover was printed in four colours on a Heidelberg Speedmaster CD74 6-colour press at 350 line screen, on Supreme Silk 100lb stock. The grid-effect lines have been debossed, and a spot UV varnish applied to the word *INCITE*. The scratch-off area is a hand-applied, custom label printed in two colours over scratch-off ink – placed to conceal and reveal the printing of the unique what3words identifier.

THE AGE OF ME ISSUE

03

**Personalization
and the
Human Factor**

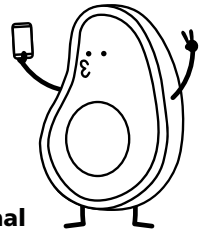
ME

06

**Me Myself
and Marketing**

13

**When
Marketing
Gets Personal**



14

**The Value
of Values**



17

Case Study

Three Words
to Address
the World

20

Case Stories

29

Industry Incite
At the Intersection
of Convenience
and Meaning



32

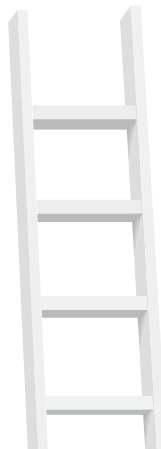
Inciter Q&A
Love, Actually

34

**Millennial
Myths are
Killing Loyalty**

36

**The Loyalty
Role Reversal**



37

Inciter How-to
Increase your
Retention Span
for a Lifetime of
Customer Value

43

Datagram
Direct Mail
Welcomes
Marketers to
Better Results



IDEAS FOR INCITING ACTION IN THE AGE OF ME



For a while now, we've all been wrestling with, and fighting for, abundance and achievement. They're the top two trophies from the last industrial age. While climbing those twin mountains, someone somewhere asked the obvious question, "How can I get more out of life?"

We all took a quick beat from our sweating and strategizing to realize not only that we didn't know, but that our politically exhausted, ecologically taxed and zero-trust culture didn't have a collective answer.

We had to ask ourselves.

And when we did, a new rush of empowerment to self-define what has and holds meaning in our lives ushered us into the age of me – the fourth industrial era of hyperconnectivity ruled by meaningful consumption and run on individual values.

For everyone in the marketing bullpen, the question becomes, "What does all this meaning mean for marketing?"

It means living businesses with adaptive brand operating systems will take top spot. A clear sense of purpose to craft renewable value will lap the competition. Value creation isn't a product decision, but a user-experience win.

It means another exciting evolution.

It feels like technology and data are taking centre stage, but actually it's people that are at the heart of everything. It's never been more important to be a self-aware business that is focused on the human experience – knowing who your audience is, and what motivates them.

In this latest issue of *INCITE*, we want to fill the pages with reality, hope and resistance – and to provide perspective on the changing landscape. Once we all understand the new principles and mechanics for operating in the age of me, the light starts flooding in.

Marketing has never had a more vital role to play, but it means embracing the age of me. If there are two key takeaways from this issue, then the first is to focus on creating an ecosystem of users, and the second is that direct-to-consumer [DTC] marketing necessitates a greater focus on relevance.

Find their context. Align with their values. Oh, and Google "Hopepunk."

Esmé Rottschäfer

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PERSONALIZATION AND THE HUMAN FACTOR

Andrew Au, President and Co-Founder, Intercept Group

The marketing industry has evolved from mass to me. Consider your personal life. As a customer, when you interact with an organization, you expect hyper-personalized experiences, on-demand service and omni-channel communications.

When you shop on Amazon, you expect product recommendations tailored to you, based on purchasing history, lifestyle and demographics. When you consume content on Netflix, you expect show recommendations and personalized content thumbnails based on your viewing history. When you leave work on Friday, you expect your phone to tell you the best route home – unprompted – based on your typical travel patterns.

Personalization has become a societal expectation – one that doesn't stop when we get to work. As B2B consumers, we expect

whoever's prospecting us to understand our industry and our unique challenges. This continued expectation for personalized interactions has given rise to account-based marketing [ABM].

ABM is tough. Many organizations – both small and large – quickly realize that a shiny marketing automation platform or robust customer relationship management tool doesn't make ABM successful. The key to success lies in the integration of sales and marketing teams – in uniting two disparate groups with conflicting priorities and opposing compensation models.

From the perspective of sales, nothing happens until a sale is made. From a marketing perspective, a sale is made because marketers have created a brand to sell. So, who's right? They both are, which adds further complexity to the conflict. As the co-founder of Intercept – an organization that bridges the gap between sales and marketing teams – I'd like to share with you key strategies and tactics we've used to unify sales and marketing teams at both high-growth scale-ups and global, blue-chip organizations. >>

WHAT CAN SALES DO BETTER?

DOCUMENT NEEDS

Sales professionals are on the front line, experiencing customer wins and frustrations. Create a digital parking lot – a single location where the sales team can share their needs, ideas and suggestions with marketing. This can be as simple as a shared document, or something more robust to support large teams, using online form engines that can be streamlined within data visualization platforms.

It's important to keep this parking lot clean – free from emotionally based jabs that add little value. It should be focused on constructive and pragmatic ideas. For example, "We lack verticalized marketing collateral to showcase our product's industry-specific value proposition and use case, especially within manufacturing."

IDENTIFY STORYTELLING OPPORTUNITIES

Marketing is constantly on the lookout for customer success stories that can validate the impact of their products and services. Being closest to customers, sales has the best vantage point to identify potential storytelling opportunities. By recommending customers for spotlight opportunities, both customers and marketers will feel valued and appreciated.

WHAT CAN MARKETING DO BETTER?

ASK FIRST

Before producing yet another piece of content, consult with sales to get real feedback on what resonates with customers. For marketing content or campaigns to drive revenue, they need to add value within the sales cycle and ultimately solve a customer need.

Faced with declining budgets and resources, we as marketers must be more intentional than ever about the activity in which we invest. By involving sales early in the process, they too get to own the strategy, which in turn makes sales more willing to support the executional elements for which they're responsible.

ENGAGE IN ACCOUNT PLANS

As marketing evolves from a cost centre to a profit centre, there is increasing demand for revenue-generating marketing campaigns.

Start by sitting down with sales to review account plans and understand where marketing activity can accelerate the sales pipeline. Read the annual reports of target customers to immerse yourself in their priorities and go-forward strategies. Showing a keen interest in achieving revenue targets will earn the respect of your sales counterparts.

WHAT CAN WE ALL DO BETTER?

BE EMPATHETIC

Like any partnership, having empathy for the other side is critical to finding common ground. One highly effective approach is to explore internal ethnographies. Have someone from marketing job-shadow a sales counterpart and vice versa. Walking in different shoes is an enlightening experience that encourages creative, divergent thinking rather than combative, destructive thinking.

"The key to success lies in the integration of sales and marketing teams."

ESTABLISH FEEDBACK RITUALS

Both sales and marketing need to improve how they communicate their needs and leads. Set your cadence for regular feedback loops, including marketing retrospectives, which should be conducted after every campaign. Promote open dialogue on what worked and what didn't to inform future go-to-market efforts. Chat-based workspaces like Microsoft Teams or Slack can be highly effective in supporting cross-functional groups so that feedback and ideas can be exchanged more fluidly and organically.

WHAT DOES SUCCESSFUL ACCOUNT-BASED MARKETING LOOK LIKE?

When designing an ABM program, it's helpful to apply service design thinking:

- › Customer Centricity: designing around customer needs and challenges
- › Connected Journey: designing a single, connected customer journey
- › Cross-Functional Creation: designing with sales, marketing, operations and finance at the table
- › Rapid Testing: designing with the intention of iteration and improvement

A NEW REALITY FOR ABM

To illustrate a successful ABM initiative, I'll turn to one of our long-standing AOR clients, Microsoft Canada. Together we crafted a go-to-market strategy for their mixed reality device, HoloLens.

What is mixed reality [MR]? Imagine a spectrum with virtual reality [VR] on one side and augmented reality [AR] on the other – MR encompasses both. It's where physical and digital objects coexist and interact with one another in real time, in the real world, to produce immersive experiences.

Microsoft had first-mover advantage on MR technology. HoloLens is a mobile device that lets the user see, hear and interact with holograms in the real world. It has the potential to transform how an organization conducts data visualization, training and simulations, spatial planning and product design.

While a truly innovative technology, HoloLens was perceived to be too futuristic to seem real, or too cost prohibitive to invest in. Plus, MR was beginning to blend in with significantly more basic, cost-effective and consumer-focused technologies like VR and AR.

We needed an ABM marketing strategy that broke down these barriers – a strategy to engage the right organizations and deliver a clear message about what MR is, how it's not the same as VR/AR and how HoloLens could drive a digital transformation strategy.

CROSS-FUNCTIONAL IDEATION

We collaborated with sales, finance and operations at the ideation phase to ensure that the go-to-market strategy was aligned with customer feedback,

executable based on operational resources and fundable with current budgets.

Our cross-functional creation was called MR-1 – a highly exclusive accelerator program for industry elites who were looking to speed up their digital transformation journey.

We didn't invite customers. We nominated them for MR-1, as a result of calculating a high propensity score based on industry and innovation focus. We worked hand-in-hand with the sales team to deliver a personalized, white-glove experience. We produced a series of digital assets to support their customer outreach – from email templates to collateral, telescripts and meeting guides. Every part of the customer experience was carefully crafted and connected.

In today's world, access doesn't equal attention. While we could access the customers digitally, we earned their attention through in-person interactions and physical collateral. Customers were invited to a nomination meeting, where they received premium MR-1-branded gear. They were also presented with a physical invitation card containing a built-in video player that showcased customer solutions to help them visualize practical use cases for mixed reality. The fusion of a physical asset with digital content delivered an experience that captured the attention of executives.

As customers pondered their decision, they were provided a direct phone line to the Worldwide Mixed Reality Lead at Microsoft for an executive-to-executive discussion.

A CONNECTED CUSTOMER JOURNEY

Customers who were accepted into the program were given a unique opportunity to work directly with the HoloLens engineering team in Redmond to envision a mixed reality solution for their business. Customers would walk away with a concrete demo application that they could showcase to their customers, their vendors and their employees.

We created a single connected journey that directly responded to the customer need to be guided and educated on mixed reality. Participating customers received:

1. **Envisioning.** We offered a three-day deep-dive envisioning session in Redmond with the HoloLens Engineering team, to develop powerful use cases and solutions specific to the customer's business.
2. **Solution Development.** We produced the scenario storyboard, solution roadmap, design considerations, demo application and vision video.
3. **Equipment.** We supplied two HoloLens devices, a spectator-view camera rig, Surface Pro and Pelican travel case to transport all the gear.
4. **Amplification.** We reserved showcase opportunities for MR-1 members within Microsoft's campaigns and events.

“As we digitally transform, we need to acknowledge what makes change initiatives successful. And that's people.”

A PILOT IDEA TAKES FLIGHT

As a team, we turned a pilot idea into a global best practice. MR-1 received an overwhelming response. Customers didn't just say yes – they applied to say yes, giving us reasons why they felt they were the right candidate to join this exclusive accelerator program.

The pilot proved to be successful, generating a return of over 10 times the program investment. At the core, success

was not driven by a marketing automation tool or digital-only strategy. It was the direct result of a customer-centric vision, a cross-functional approach to ideation and a connected customer journey.

MORE PERSONAL PERSONALIZATION

As data sets expand and algorithms mature, we can expect personalization to get more personalized. Technological advances will change ABM frontiers, allowing us to more effectively deliver predictive customer engagement at scale.

As we digitally transform, we need to acknowledge what makes change initiatives successful. And that's people. Case in point, *Harvard Business Review* studied 400 organizations that were undergoing change initiatives. Nine out of 10 were experiencing change failure because of human factors, including ineffective internal collaboration.

In today's highly competitive climate, our time, energy and resources shouldn't be wasted on infighting and status management. Sales and marketing teams need to band together and take the fight to their competition.

When companies like Microsoft, Intuit and HP want to evolve their B2B marketing, they call Andrew. He's the co-founder of INTERCEPT, a marketing agency that specializes in revenue-based marketing strategies.

Andrew Au is among the few Canadians to be named to *Forbes'* 30 Under 30 list and has received over 40 domestic and international awards for marketing excellence and thought leadership.

As a keynote speaker, he shares his perspectives on leadership and emerging tech in the media, on podcasts and on stages around the world.



**ME
MYSELF
AND
MARKETING**

**THE AGE OF ME IS DEFINING A NEW
FRAMEWORK FOR CREATING VALUE
AND IT'S DECIDEDLY PERSONAL**

We find ourselves transitioning from the third industrial age, which was framed by abundance and hyper-consumption, to the fourth industrial age, rooted in hyperconnectivity and meaningful consumption. This is causing many points of friction between the old and the new worlds – and raising questions about how we need to adapt.

You could call it a horse vs. car moment, but that almost doesn't do it justice. The implications of this next industrial age – unfolding against a backdrop of global instability, ecological distress and loss of government as well as corporate trust – are indicative of a fundamental change. We're moving to a more sustainable era of distributed capitalism. Hyperconnectivity, manufacturing accessibility and mobility have led to a redistribution of influence and opportunity, empowering individuals.

MEANINGFUL CONSUMPTION

People are no longer passive consumers. They are self-directed individuals who want to consume meaningfully. These are people who want more agency over what is significant, relevant and useful to them. Today, it's all about me.

As individuals, we are discovering very distinctive paths to fulfillment and

empowerment, creating more balance and belonging and prioritizing quality of life. At the same time, accessibility and hyperconnectivity allow us to be more us – consuming the content we like on our own time, learning new things and connecting with other people who share our interests.

Increasingly people are asking, "How can I get more out of life?" It's an attempt to reconcile the contrasts between material accomplishment and living more meaningfully. Faced with over-consumption, surplus and waste, we're striving for equilibrium. We're dissatisfied with abundance, so we're searching for what is scarce.

NAVIGATING COMPLEXITY

Fundamental shifts in consumption require a new approach to marketing. If the universe in which marketing operates is evolving, it makes sense that the mechanisms for effective marketing should develop with it.

There are many opportunities for competitive advantage within this new paradigm. Understanding the fundamental shifts taking place as we run head-first into the era of personalization helps to define how marketing needs to respond.



SUPPLY TO DEMAND

We are in a surplus economy, where marketplace supply far exceeds demand. This excess transfers the upper hand to the buyer, and puts the onus on brands to reduce the conflict of choice. Brand purpose, relevance, experience, direct-to-consumer, on-demand, curation, subscription, storytelling, retargeting, recommendations, preference filters – all these [and more] are mechanisms created to deal with an excess of choice.

What changes would you make to your marketing tactics to better address the demand economy?



MACHINE TO LIVING BUSINESS

Forget the image of business as a machine. Today, successful organizations are living systems – organic systems that are continuously sensing, getting feedback from the marketplace and adapting to stay relevant.

Living businesses achieve sustainable growth by creating renewable value for people. It is a consumer-centric mindset that looks at the profitability of customers, not of products.

Accenture research finds that companies who practise living business as a growth strategy are 50 per cent more likely to weather business cycles and disruption in their industries.

Check out Accenture's "Sustainable Growth as a Living Business."

	MECHANIZATION 1765	MASS PRODUCTION 1870	AUTOMATED PRODUCTION 1969	MASS CUSTOMIZATION 2000
	Steam engine-based mechanization	Electricity-based mass production	Computer/Internet-based knowledge and information	IoT/AI-based hyperconnectivity
<i>Economic mechanism</i>		Accessibility	Abundance (volume)	Sustainability (distribution)
<i>Consumer aspiration</i>		Prosperity (tangible)	Achievement (linear)	Meaning (multi-dimensional)
<i>Consumer segmentation</i>		Mass	Segmentation Relationship management	Values-based Hyper-personalized
<i>Consumer orientation</i>		Sell to customers	Satisfy customers	Align with customers
<i>Consumer scale</i>		Masses	Segments	Individuals

The four industrial revolutions that have shaped and are shaping consumption patterns. This table compares the key ideas associated with each age.



MARKETING TO BRAND OS

Brand can no longer be treated as an extension of marketing. A brand – the belief system and human purpose of a company – needs to be thought of as an operating system [OS]. An OS is upgradeable, and reinforces the link between company and purchaser.

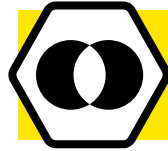
Hyperconnectivity [omni-channel] creates a mutually beneficial exchange between a brand and user that grows over time. Marketing, products, services and customer experience fluidly operate as one.

Marketers are constantly trying to get a single view of the customer. In a surplus economy, what people need is a single view of the brand across all channels. As organizations get closer to people, a lack of brand will make you invisible, and more than likely irrelevant.

This leads us to the idea of positive utility. Interbrand, the global brand consultancy, says: “It is not enough to make people feel good about a brand by simply focusing on the storytelling around the benefits of a product or service. Leading brands are driven by their desire to be useful, to create products, tools and services that actually solve customer problems, and to use their marketing to serve and not just sell. They are driven by a clear sense of purpose, which is focused on creating a meaningful, positive impact in the world. Those brands that focus principally on Positive Utility to drive their businesses have a five-year growth rate of 14.3 per cent per annum compared to 2.3 per cent for those that largely rely on storytelling to shape their brands.”

As people get up close and personal with brands, marketers need to ensure that they have a meaningful brand operating system in place before they invest in technology and innovation.

People don't just buy a brand, they want to buy into it.



LOYALTY TO RELEVANCE

When we think of loyalty, our minds jump to loyalty programs. Growth strategist Kantar Retail found that 71 per cent of consumers now claim that loyalty incentive programs don't make them loyal at all.

Loyalty focuses on the purchase using extrinsic motivation tactics [behaviour driven by money, fame, praise]. New retention strategies focus on keeping hold of users through shared values, relevance and customer experience.

In a surplus economy, the risk of becoming irrelevant to your customers has never been higher. Accenture found that 64 per cent of customers say they would switch from one brand to another due to a lack of relevance. Moreover, historical performance is not an indicator of future success. As Accenture points out, 52 per cent of the companies included in the Fortune 500 in the year 2000 no longer exist. On top of this, algorithms have a bias for relevance, limiting the visibility of brands that don't focus on it.

In the age of me, the equation has reversed. Brands need to show loyalty to their customers and invest in users – the advocates who have added favourites to their list. Advocacy and purchase are no longer a couple, and repeated renewal of relevance increases customer value over time and across people. That's a competitive differentiator.

Hyperconnectivity means brands need to be hyper relevant.



NEEDS TO VALUES

How people make decisions has become more complicated. Looking at the needs, usage and attitudes of consumers creates a limited and linear view cemented in the category and product.

The significant shifts we've seen in consumption have not been driven by needs but by our values. Values are holistic – both right and left brained. Values are inherently about me, my life and my world view. Values shift people's motivations, needs and behaviours, and reinforce identity.

Consumption is now values based, and people are discovering different paths to personal fulfillment. Aligning values is the first step to relevance and personalization. You can accomplish a lot when you understand and align with people's value systems – when you recognize their mindsets and motivations.

According to trend forecasting agency Kjaer Global, 63 per cent of people agreed that meaning and values are most likely the drivers to influence their future purchase decisions. Motivation is a dynamic concept, which is continually being redrawn, and it depends on many related social and individual factors. Value systems provide a motivational lexicon – something that companies need in order to achieve their full market potential as they navigate the predictive potential of data.

Shifting to understand the value systems of users means moving from what to why.

DIRECT TO CONSUMER

Hyperconnectivity has opened up a whole new era of direct where only the truly fit will survive.

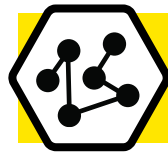
Direct models are reshaping the role of distribution channels, both physical and digital, and are changing the rules of engagement. Having a meaningful brand has become mission critical, and relevance makes the algorithms go 'round.

In a direct world, consumers are brand users. When someone follows a brand on Instagram, for example, they've become a user before purchasing anything. This is an essential distinction for marketers. It means that retention begins with users, not buyers, and that relevance is the only way to retain users [stay in their feed].

In a direct world, category boundaries become fuzzy. We don't measure our experiences and expectations by category. In the words of Accenture, "Your buyers compare the ease and relevance of your experience against the best in all industries."

In a direct world, on-demand exemplifies the contrasting sets of needs and expectations people have when managing their lives. Understanding why and how people are interacting with on-demand tells us a lot about people's motivations and needs.

In a direct world, media has become retail, and retail has become media. Digital and physical distribution and media channels are blurring as marketing, sales and customer experience merge. Now is the time for marketing to contribute to the customer experience.



FUNNEL TO JOURNEY

If anything reflects the fundamental shift in how people interact with brands and the role of marketing, it is the purchase funnel.

The funnel has flipped. It's no longer about generating volume from a mass, homogenous audience. The traditional model, organized around the purchase, pushes consumers through each stage toward a sale [the conversion]. The model acts as a sieve. Marketers panned for gold in big homogenous rivers, hoping to have a few flecks of gold to show for their efforts.

The flipped funnel is organized around the user, not the purchase. It is a model that generates an action [conversion] at every stage. It's more like building a bunch of snowballs and then pushing them each down a hill from specific locations [to a point where they come together to create the body of a snowman].

According to *Harvard Business Review*, "Brands may put the decision at the centre of the journey, but customers don't. For customers, the pivot is the experience, not the purchase. When you change from decision to engagement, you change the entire model."

In the traditional purchase funnel, advocacy always came after purchase. Today, that's not the case. We have seen a conscious uncoupling between brand advocacy and purchase. In today's marketing landscape, people can experience a brand in many ways other than purchase and product usage.

A shift has occurred, and it involves a customer journey that puts people at the centre of value creation.

The funnel presumes that marketing is separate from the product. Using the customer journey as a model puts experience first and treats marketing as part of the experience.

Marketing is no longer organized around the purchase.



MASS TO PERSONAL

Personalization has fundamentally shifted how brands create value and up the competitive ante. People no longer subscribe or aspire to one-size-fits-all. Mainstream has almost become a dirty word.

Personalization drives conversion at every interface. Being contextually relevant requires a system for delivering content, experiences and functionality that align with needs, interests and preferences – with little to no effort by a user.

Customization is not the same as personalization. Customization requires people to modify something to suit their needs, interests or preferences. It requires effort.

It's important to recognize how personalization and customization can work together, and also how they fulfill different user needs and expectations.

While people have come to expect personalization, the level of engagement and trust they have with a brand determines their threshold for intimacy.

Companies need to focus on personalized product offerings and recommendations via multi-channel communications – including personalized landing pages, dynamic pricing, apps, chatbots and physical media like direct mail.

In an *HBR.org* study, marketers were asked about two personalization tactics: online customer experience and in-person customer experience. The survey respondents scored them equally as table stakes and competitive advantage. This finding indicates that personalization is expected in these core channels, but that more could be achieved. By 2020, marketers expect that personalized recommendations and offers will deliver the most significant ROI for their efforts, followed by in-person experience.

Together, these findings support the vital role of physical experience in personalization. It's not just an online game. Digital left the internet, and personalization can too.

To be successful, Accenture points out that the goal of personalization is not about cross-or up-selling. The purpose of personalization is to use data to make it easier for customers to find and consume what they want, how and when they want it.

Personalization only works if you look at business through a people lens, not a product lens.



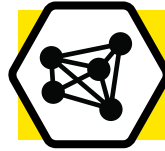
COLD DATA TO RELATABLE DATA

The data shift relates to how data is used and protected. People are becoming more aware of the value of their data, and expect companies to provide equal or greater value in exchange. We have to remember the inherent risk and skepticism in providing access to data, particularly considering the low level of trust in companies and governments.

Data is a big topic with multiple challenges. How do you standardize and manage an expanding set of sources for integration? What's the best way to leverage data more effectively? The answer doesn't lie in more hard data. The solution is to develop an integrated, cross-channel and multi-dimensional picture of a customer to deliver relevance.

Relevance and motivation go hand in hand. Data integration provides a single multi-dimensional view of users that helps marketers spot patterns and figure out why customers make individual choices. Combining internal and external data provides a robust data framework for personalization.

A focus on data doesn't mean we can lose sight of the people in front of the data.



SILOS TO SYSTEMS

Success in the age of me requires systems thinking. Systems thinking is a way of seeing the world as a series of interconnected and interdependent systems, rather than lots of independent parts.

To create value in a hyperconnected world, we need to be able to look at the interrelationships within systems at the macro level [through a telescope] and then at the elements of the system at the micro level [microscope].

Companies need to be able to orchestrate departments, people, channels, technology and activities in new ways. Systems thinking helps organizations see the bigger picture and reduce between-these-four-walls thinking. Managing a business ecosystem today requires an ability to connect the dots differently. Alignment between data, marketing and sales is critical. Alignment with the customer is essential.

Systems thinking provides the framework for dynamic solutions that create sustainable value.

“As mass consumption gives way to the wants of individuals, a historic transition in capitalism is unfolding.”

McKinsey, *Creating Value in the Age of Distributed Capitalism*

HOPE PUNK

A trend that favours optimism and positivity over negative narratives.

Individuals are finding their voice and looking for governments and companies to stand with them to build a positive social system. According to Kjaer Global, people are looking hopefully at companies to succeed where governments fail. But, trust is at an all-time low and expectations are at an all-time high. According to a worldwide metric of brand strength, brands with a purpose set on improving our quality of life outperform the stock market by 120 per cent. But only 20 per cent of brands have a notable positive impact on consumers, and consumers wouldn't care if 70 per cent of today's brands ceased to exist.

HOW 'WOKE' IS YOUR COMPANY?



Totally Asleep



So Woke

MAKE FRIENDS WITH ROBOTS

Marketing needs technology. Think about what kinds of 'roboting' you must leverage to improve customer experience across physical and digital channels. Look at all the good things robots can do to help you get personal:

*Sensing | Tracking | Recognizing | Predicting
Fulfilling | Chatting | Recommending
Automating | Optimizing | Analyzing
Remembering | Learning
Integrating | Retargeting*

ARE YOU READY FOR THE AGE OF ME?

Where does your company score? What are the implications of how energy, attitude and resources are spent? Look at where you think you can have the most influence, and what will be most valuable to your users.

Brand as marketing	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Brand as operating system
Manufacturing	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Living Business
Mass	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Personalization
Focused on sales	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Focused on relevance
CRM system	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Fully integrated marketing stack
Design for the purchase	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Design for the experience
Investing in loyalty programs	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Investing in retaining users
Status quo manager	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Status quo disruptor
Silos	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Systems
Marketing is marketing	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Marketing is shopping
Ads first	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Content first
Consumer oriented	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	User oriented
Acquisition-focused budgeting	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Retention-focused budgeting
Energy focused on moving product	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Energy focused on moving people
Data gathering	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Data utility

What can I influence?
What will be most valuable to users?
What assets and capabilities can support this?



DEVELOP YOUR SUPER POWERS FOR THE AGE OF ME

Find competitive advantage by understanding and aligning with the changing dynamics of consumption – the new values, expectations and behaviours.

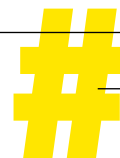
We all have more influence than we know – hidden super powers that, when developed, can ignite our bravery and be used to incite action.

Use the super powers below to start making the age of me work for you – identify team strengths, close gaps and prioritize activities, identify what's holding you back, change perspective.



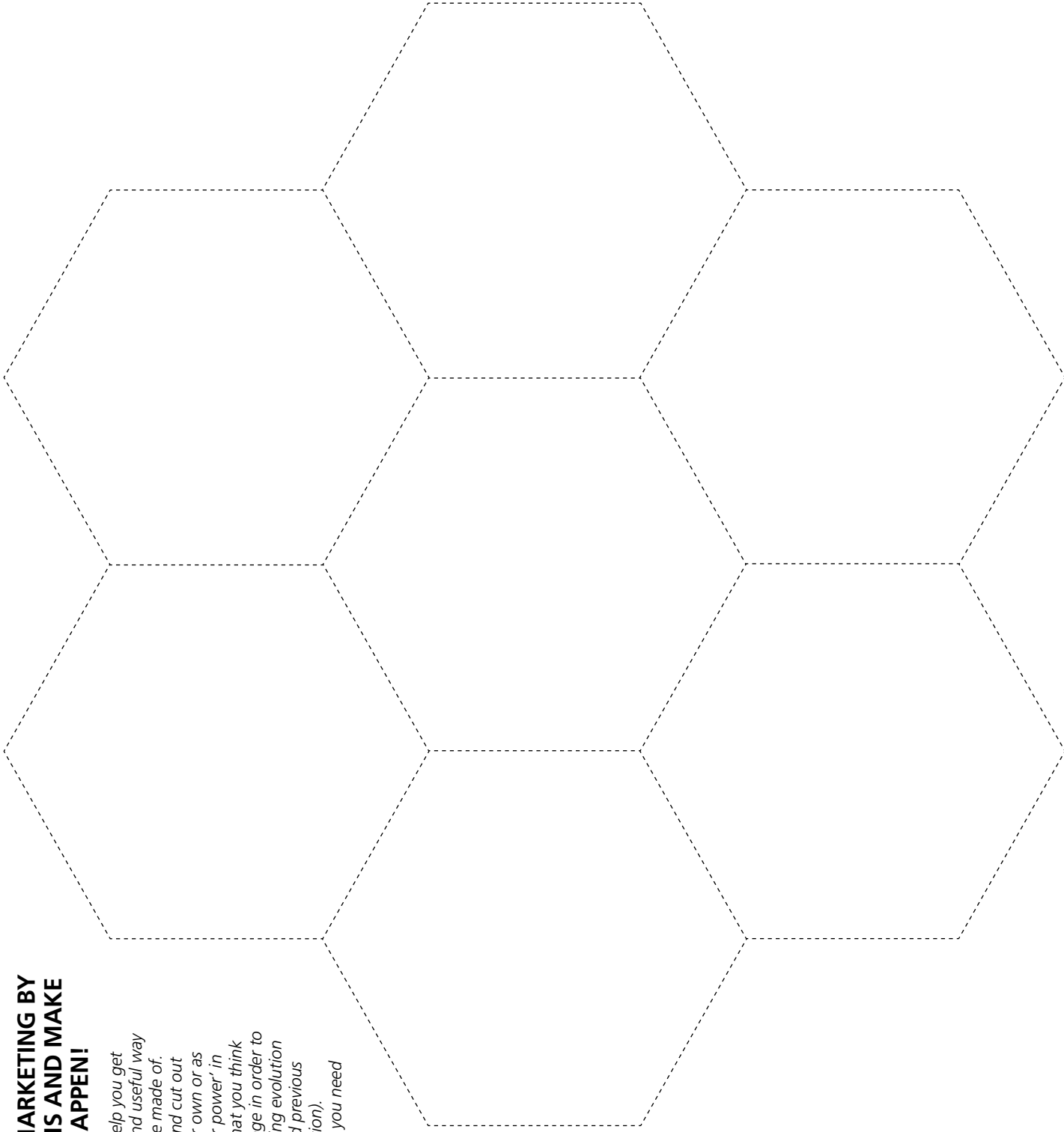
LET'S GET A LITTLE HOPEPUNK, SHALL WE?

I'm going to embrace optimistic resistance by...



GRAB YOUR MARKETING BY THE HEXAGONS AND MAKE SOMETHING HAPPEN!

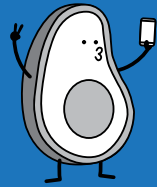
Here's a template to help you get started. This is a fun and useful way to find out what you're made of. Photocopy this page and cut out the hexagons. On your own or as a group, write a 'super power' in each hexagon – one that you think you will need to leverage in order to influence your marketing evolution (refer to the article and previous page for some inspiration). Prioritize to see where you need to allocate resources.



WHEN MARKETING GETS PERSONAL

PERSONALIZATION VS. GENERATIONAL STEREOTYPES

Avoid generational caricatures by talking to consumers authentically, as individuals. While Visa succeeded by addressing millennial women's unique financial concerns, Hasbro drew criticism when it released millennial Monopoly with the tagline, "Forget Real Estate. You Can't Afford it Anyway." 63% of millennials want to stand out as individuals, not a generational stereotype.



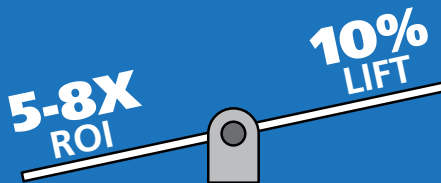
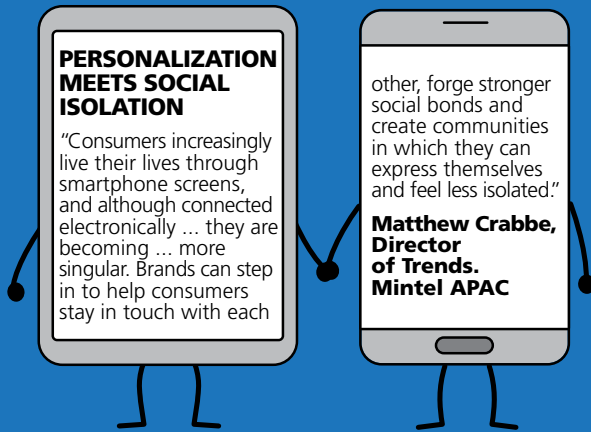
Sources: visa.com, [Mintel](http://mintel.com)

PERSONALIZATION MEETS SOCIAL ISOLATION

"Consumers increasingly live their lives through smartphone screens, and although connected electronically ... they are becoming ... more singular. Brands can step in to help consumers stay in touch with each

other, forge stronger social bonds and create communities in which they can express themselves and feel less isolated."

Matthew Crabbe,
Director
of Trends.
Mintel APAC



PERSONAL DISCOVERY

The best way to achieve meaningful personalization is by systematically testing ideas with real customers, learning from the results and then scaling at speed. Personalization can deliver 5 to 8 times ROI on marketing spend and lift sales by 10% or more.

Source: hbr.org

ARE MARKETERS GETTING PERSONAL?

Sometimes we understand the theory but struggle with the practice. 48% of senior marketers know that personalization leads to improved response rates, increased sales and a better brand profile. Nearly 33% say that they have limited to no capability to personalize marketing messages.

Source: [Impact](http://impact.com)

48%

33%



FROM PERSONALIZATION TO CUSTOMIZATION



Customers are looking for on-demand interaction with adaptive products and services that predict and respond to their personal needs and expectations. 36% of consumers expressed an interest in purchasing personalized products or services.

Sources: econsultancy.com, [Deloitte](http://deloitte.com)

PRIVACY VS. PERSONALIZATION

Customers are willing to swap data privacy for personalized marketing as long as brands offer a clear value exchange.

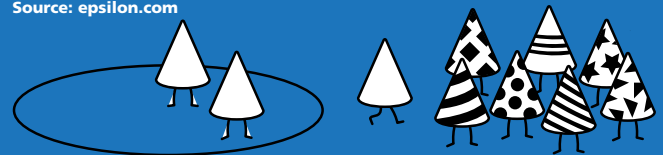
57% of consumers are willing to share personal data in exchange for personalized offers or discounts.

Source: econsultancy.com

PERSONAL RELEVANCE

Personalized communications lead to conversion and build relationships that create a lifetime of customer value. Messages must resonate to create connective experiences that reflect needs, likes and aspirations. 80% of consumers are more likely to make a purchase when brands offer personalized experiences.

Source: epsilon.com



BRAND VALUES MAKE THINGS PERSONAL

There's an increasing thirst to connect with brands that demonstrably share their customers' values and invite customers to be part of their tribe.

41% of Gen Z consumers won't buy from companies associated with corporate scandals.

50% of Canadians are curious about what causes companies support, and this is part of their purchasing decision.

Sources: [Mintel](http://mintel.com), [Ipsos](http://ipsos.com)



THE VALUE OF VALUES

Marie Lena Tupot, Trend Forecaster and Co-Founder, scenarioDNA

Do you like to think you know who your customers are? What if they know who you are too – inside and out? Like it or not, brands and people have never been closer. Consumers have so much access to information that they are likely to have fully formed opinions about your company before you've ever introduced yourself.

It's not new that a person's perception of a company gets factored into their buying decisions. It's their shift in expectation that is changing things. Marketers used to have a level of control when it came to information, and could relatively affect a person's perception by appealing to their values. Now, consumers are adept at peeking under your hood and determining whether your values are aligned with theirs.

What are values exactly? Values are the ethical and moral principles that guide us. We use them to judge what is important in life to us. They help us structure and secure our position in the world. They are our most human classification scheme. They give us our identity.

The concept of values applies both to people and corporate identities, and we affirm or reject them within our cultural frameworks. What makes them complicated is that they are continually evolving as cultural context changes.

For example, the organic-only consumer of three decades ago is not the organic-only consumer of today. Three decades ago the organic consumer evolved as a pushback to industrial farming. This was a person who valued safety and transparency. "Organic" now is a labeling term indicating that food has been grown following federal guidelines. Its present-day consumer uses organic as a badge to demonstrate knowledge to friends and family.

As marketers, we should know where the values of the market are headed. Measuring behaviour only tells us what people are doing. It does not tell us why. "Why" is found within value systems. However, we keep trying to understand consumers only through their life stages, their wealth and their GPS coordinates when a more layered data approach is needed.

The direct-to-consumer brands were quicker to understand values than most.

"It's time to invest in understanding values as a holistic, participatory system of brand engagement instead of treating the brand itself as the source of values."

Consider Netflix. It's come a long way from its 1997 business model of DVD sales and rental by mail. Presently, Netflix both embodies and leverages the values of freedom and responsibility among today's streaming audiences. Internally, it maintains a culture of empowered employees. In a 2014 interview with Netflix founder Reed Hastings, *Insights by Stanford Business* revealed that the founder prides himself on making as few decisions as possible and giving people room to create.

In a recent public statement, Netflix reinforced its values to its viewers by emphasizing itself as a platform built to give "filmmakers more ways to share art," and also help "people who can't always afford, or live in towns without, theaters." Values serve as an essential framework allowing the company to thrive.

In a hyper-personalized demand economy, truly understanding individual values is more critical than ever before. Our values send a clear signal about what we care about [and want to engage with]. To understand why, we simply need to look at the signifying language [both words and images] people use to express themselves. People are constantly staking their values, so there's no need to guess what motivates them. Instead, we need to learn how to look at the information people put out into the world. One way to do this is by mapping culture [what people put out into the world] to identify how culture is changing and why. Cultural frameworks reveal society as a living system of many parts that reflect our ideologies and values over time.

Values have been proven to increase meaningful and predictable outcomes. They help us to be anticipatory – getting ahead of consumer demand. That knowledge of values has to come first – before embarking on costly technology and personalization initiatives.

Typically, we do not follow that order of sequence. We chase values, returning to them because we run up against problems. It's time to invest in understanding values as a holistic, participatory system of brand engagement instead of treating the brand itself as the source of values.

Marie Lena Tupot is a classically trained trend forecaster who co-founded insight consultancy scenarioDNA and its patented culture mapping methodology with Tim Stock in 2001. As the research director at scenarioDNA, she has collaborated with global clients including FIFCO, Hilton, Honda, Land O'Lakes and Nike.

CASE STUDY

what3words wanted to demonstrate to 10 postmasters in key African markets how the company's geocoding system would improve postal access and delivery for people living off-map. >>

THREE WORDS TO ADDRESS THE WORLD

what3words demonstrated the social and commercial challenges of absent addresses by illustrating the problem in the context of mail.



Most consider an address essential, yet 4 billion people live invisibly without one. If you can't convey where you live, it can mean you can't do things like vote, apply for a job, register for government services, ask for a loan, subscribe to utilities, shop online or have an ambulance find you.

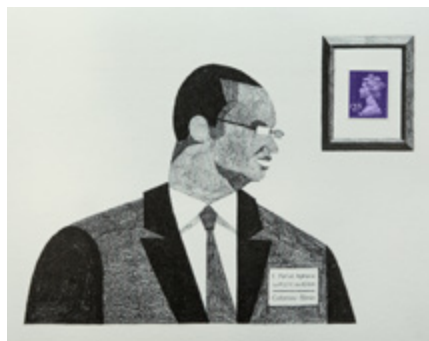
CHALLENGE

A reliable address shouldn't be a luxury. Yet, 75 per cent of countries suffer from poor or non-existent addressing. And, for the 25 per cent who do have a reliable address, packages still go astray, couriers get lost and local businesses can't be found. Without a precise addressing infrastructure, delivery and logistics become both challenging and costly. Every extra minute spent searching for a residential address, a pick-up point or a specific location is time and money that hits the bottom line.

Without a reliable address, people on the receiving end waste time waiting for couriers to arrive, get frustrated giving directions over the phone and, in some cases, wait for packages that simply never turn up.

This is particularly true of African countries, where these practical obstacles can hinder economic growth and development. With such a large population missing out due to an inadequate address system, what3words wanted to inform people that they understood their situation and would like to offer a solution. What better way to do it than by contacting the people in charge of the mail?

This letter is for Ahmed Mariama who works in Port Moroni on Comoros. From Moroni Airport, head East until you hit the Boulevard Karthala. Follow this North, past  the Ancien Marché. Take the next road  on the right, opposite the big white bank with the palm trees outside. Down this road, on the right is the Société Nationales des Postes. Inside is Ahmed Mariama (If you get to Marché Dubai, you've gone too far!)



RELEVANCE

what3words created its geocoding system by dividing the world into 57 trillion three-metre squares and naming each one with a three-word code. It's a precise yet simple addressing system that's more memorable than GPS coordinates and invaluable in the absence of an address. Three otherwise unrelated words connect letters, packages and people with exact locations.

what3words allows people to pinpoint a specific location on the planet and communicate it faster and more easily than

any other method. Through apps and APIs, this global address system is helping to optimize business, drive social and economic development and save lives – especially in developing countries. Emergency services, GPSs and logistics companies are eagerly adopting what3words to increase accuracy, speed and safety.

INCITING ACTION

what3words wanted to get the word out. Key African markets needed to hear about this simple solution to a real and pressing

CLIENT: what3words | **PRODUCT:** Postal Addressing System | **CONTINENT:** Africa | **AGENCY:** OgilvyOne, London | **AGENCY TEAM:** Chief Creative Officer, OgilvyOne Charlie Wilson | Group Chief Creative Officer, Ogilvy & Mather Emma de la Fosse | Head of Production, OgilvyOne Justin Cairns | Senior Production, OgilvyOne Janet Bery | **Illustration** David Doran.

problem. Even getting one postmaster to sign a contract would be sizeable.

The geocoding system was a high-tech solution that had to be demonstrated in a low-tech way. It all started with letters – the universal love language of postmasters. These letters were sent out to demonstrate how hard it is to describe a person’s location without an address. Using beautiful custom illustrations, each envelope depicted intricate directions for delivery – using visual explanations, maps or detailed written instructions. This clearly showed the painful realities of being without an address ... before using the words of a letter to reveal the genius of a simple, universal solution.

These were stamped, unaddressed envelopes that were successfully sent through the mail to capture the attention of chief postmasters in Africa, clearly communicating the difficulties faced by citizens, and putting the problem – along with its matching, tangible solution – in their hands.

RESULTS

The hyper-personalized mailing hit home. With an 80 per cent response rate [eight out of 10 targets acknowledged receipt], it attracted the attention of influential postmasters, addressed the problem head-

on and started by converting three African countries – including Nigeria, one of the continent’s largest economies. Despite a young population and significant increases in cross-border e-commerce, only 20 per cent of Nigerians could receive mail to the door. By 2020, that should increase to 90 per cent.

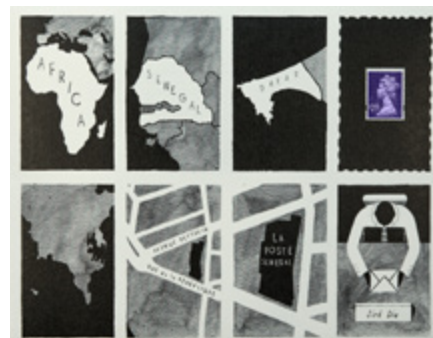
The technology offers an off-the-shelf solution to the many countries that lack any kind of universal address system. To date, 10 governments and their postal services – including Mongolia, Nigeria, Ivory Coast and Tuvalu – have signed up to the idea.

“Three-word addresses will help us to extend e-commerce opportunities, home delivery and support businesses in both urban and rural spaces.” – Isaac Gnamba-Yao, chief executive of the postal service in Ivory Coast.

From humanitarian to commercial applications, what3words is addressing the world for the likes of the UN, emergency services, major car manufacturers, ride-share services and travel companies. It’s helping deliver groceries, pizzas and babies. And, thanks to what3words, you’ll always be able to find your Airbnb – from a reindeer herder’s teepee in Mongolia to a penthouse in Barcelona.

Currently, what3words addresses are available in 36 languages, and the company has recently entered the Chinese market. The goal is to make its map available in all major world languages.

[**Download the app to discover your what3words.**](#)



Case Study Debrief

COMPANY what3words

INDUSTRY Geodata Services

Inciting Action

Letters without an address were sent to postmasters in African countries. Each letter physically demonstrated both the problem and an understanding of the situation. The letters replicated the difficulties people had in reaching others when there was no reliable addressing system available.

Results

The direct mail component generated an 80 per cent response rate with initial adoption by three African nations.

Conversion Funnel

Dots indicate where direct mail was used to incite action.



Data Sources
Custom list

Media Formats
Personalized letters

Activation Pillars

- Physicality
- Data
- Connectivity

Key Take-Aways

- › There is power in putting human value at the heart of communicating business solutions
- › Speak in the language of the audience in a motivating way
- › Leverage the native strengths of the channel to increase resonance
- › Relevant, high-impact ideas don’t have to be complicated or expensive

“ We created a campaign using maps and directions on envelopes to send the letters to the postmasters. It successfully brought to life the problem and started conversations with eight African national postal systems. ”
– what3words

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 personalize their campaigns and increase retention.

RIGHT ON THE CROP MARK

A printed website puts Somerset's capabilities directly into clients' hands.

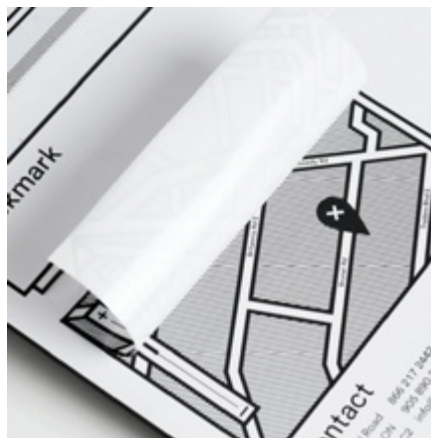
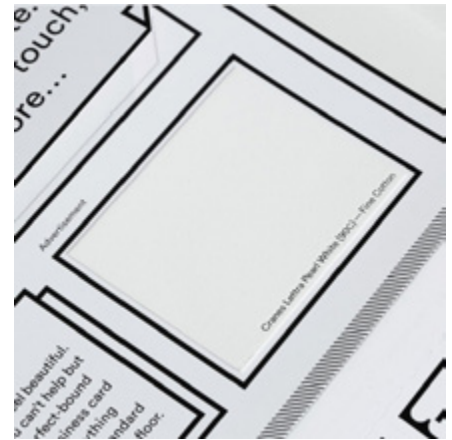
This small, family-run production studio located in Ontario, specialized in high-quality print. Designers knew about Somerset and its reputation for precision, attention to detail and the ability to pull off complex jobs. But existing clients weren't taking advantage of the print shop's full capabilities.

Faced with digital competition and a need for growth, this print specialist was looking for a unique way of connecting with the creative community to reengage existing clients and a new generation of designers.

This involved rebranding and launching a website to showcase the company's beautifully creative print capabilities. But how do you demonstrate all the tactile, sensory advantages print can offer using a digital medium? You create a printed website. Then you mail the intriguingly monochromatic print version to creatives – building your reputation where it counts, and strengthening your database of potential clients.

To demonstrate what happens when you give digital the physical touch, Somerset created an eclectic visual identity – inspired by stacks of paper on the press floor, and using every printed technique, paper stock, foil, ink, texture and finish in their extensive portfolio. This opportunity to delight designers established an impactful and distinctive continuity between the offline and online components.

The newly named "Printed By Somerset" had created a fully printed website, shot in stop motion and transferred online. The rebrand shifted perceptions, and designers immediately recognized the print operation for its innovation, design skills, printing capabilities and unique offering.



CLIENT: Printed By Somerset | **PRODUCT:** Printed By Somerset | **COUNTRY:** Canada | **AGENCY:** Leo Burnett Toronto | **AGENCY TEAM:** Chief Creative Officer Judy John | **Creative Director** Judy John, Lisa Greenberg | **Group Creative Director** Lisa Greenberg, Ryan Crouchman, Sean Ohlenkamp | **Copywriter** Marty Hoefkes, Andrew Caie | **Art Director** Dejan Djuric, Pedro Izzo, Ryan Crouchman, Scott Leder, Chris Duchaine | **Designer** Dejan Djuric, Pedro Izzo, Ryan Crouchman, Jeff Watkins | **Illustrator** Kristina Marija Valiunas, Dejan Djuric | **Director Creative Technology** Felix Wardene | **Web Developer** Jacqueline Adediji, Dan Purdy | **Developer** Jacqueline Adediji, Dan Purdy, Margaret Beck | **Project Manager** Tracy Wightman | **Photographer** Luis Albuquerque, Arash Moallemi | **Agency Producer** Laurie Filgiano, Sabrina DeLuca | **Director** Luis Albuquerque | **Account Supervisor** Kayla Osmond | **Planner** Joshua Hansen.

WOULD YOU LIKE TO SEE THE DESERT MENU?

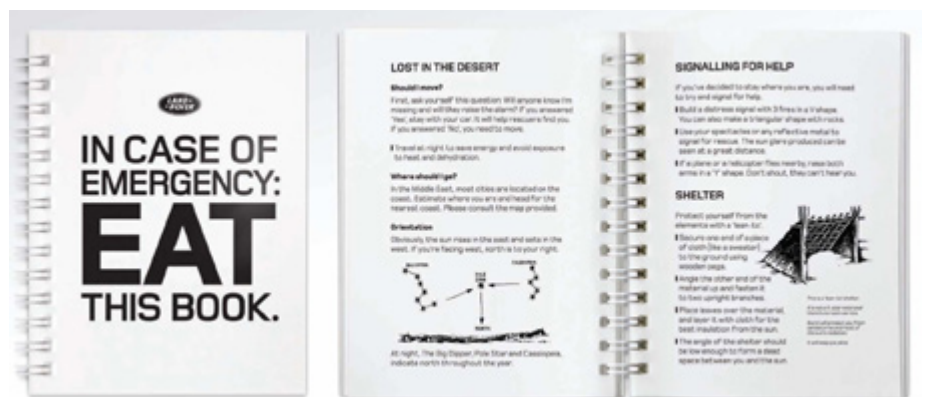
Land Rover reinforces its rugged image by enhancing the ownership experience.

Land Rovers can take on any obstacles in the desert, but the same can't be said of their owners. The Arabian Desert is one of the most extreme environments on Earth – scorching temperatures, deadly animals, sudden sinkholes. Even the most experienced drivers can quickly succumb to its dangers.

Knowing this, Land Rover in the United Arab Emirates (UAE) created a practical desert survival guide as a giveaway to all Land Rover owners. Full of extreme tips to stay alive in the desert, the guide arrived in reflective packaging [to signal for help]. It was bound with a metal spiral [for cooking]. As a last resort, drivers could actually eat the book [edible ink and paper, with a nutritional value close to that of a cheeseburger].

The Edible Desert Survival Guide was a genuinely clever piece of communication, helping build loyalty to the Land Rover brand. A wonderful reaffirmation of tough, rugged Land Rovers, the survival guide reinforced the reasons why people buy the brand – thinking of themselves as adventurers, even if they aren't.

Delivered to 5,000 existing customers, the initial response was so positive that Land Rover included it in the next issue of a car magazine with a circulation of 70,000. A strong endorsement for the survival of the fittest and a testament to the value of nurturing your existing customers with immersive and useful retention marketing.



CLIENT: Land Rover | **PRODUCT:** Land Rover | **COUNTRY:** UAE | **AGENCY:** Y&R Dubai | **AGENCY TEAM:** Chief Creative Officer Shahir Zag | Creative Director/ Art Direction/Illustration Joseph Bihag | Creative Director/Copywriting Shahir Zag | Copywriter Guillaume Calmelet | Head of Production Amin Soltani Producer Leng Panganiban | Retoucher Gitten Tom | Account Manager Pierre Farra | Account Supervisor Sarah Locke.

THE HEAT IS ON

American Garden delivers a spicy sales pitch to influence buyers.

American Garden is a popular culinary brand in the United Arab Emirates. Although its best-selling products included a range of condiments, the brand's hot sauce ranked relatively low. Sales came mostly from restaurant bulk orders, and big brands like Tabasco dominated the hot sauce space. American Gardens needed to persuade the hospitality industry to try and to buy its habanero sauce.

Habanero chili peppers are among the hottest in the world. More than a tiny drop might have fiery consequences. To attract the attention of existing customers, food festivals, top chefs, food bloggers and influencers, American Garden created a series of 10 miniature books. Each book by a different artist featured stories of tiny objects, events and mistakes that had huge consequences.

The Little Book of Big Consequences was mailed to customers and influencers along with a sample of the new sauce. This tiny collection of big stories cleverly communicated the American Garden habanero sauce brand values [cheeky, fun, potent] and the accompanying letter turned up the heat with a limited-time offer to sample and save.

It turned out to be a little mailing with big consequences, as 60 per cent of American Garden's trade customers placed orders for the new hot sauce. The hospitality industry took to social media to talk about the campaign and recommend the sauce to peers, amplifying the results and proving that hot news travels fast!



CLIENT: American Garden | **PRODUCT:** Habanero Sauce | **COUNTRY:** UAE | **AGENCY:** Y&R, Dubai | **AGENCY TEAM:** Chief Creative Officer Shahir Zag | Creative Directors Kalpesh Pantakar, Ash Chagla | **Copywriters** Ash Chagla, Guillaume Calmelet | **Art Directors** Kalpesh Patankar, Kapil Bhimekar | **Production Manager** Binnu Cherian | **Group Account Director** Shaik Shibli.

A FETCHING TAIL OF FRIENDSHIP

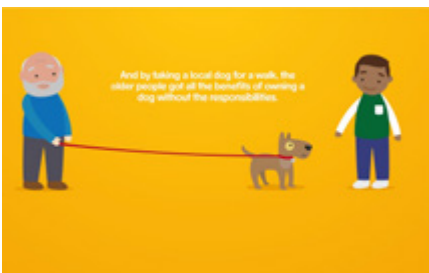
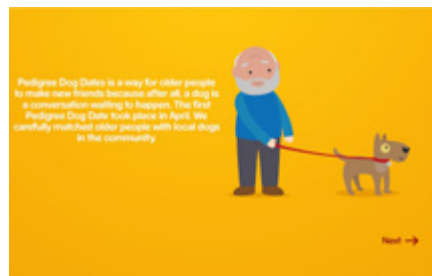
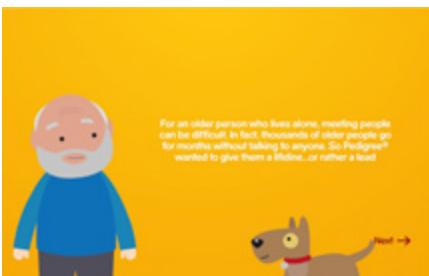
Pedigree used direct mail to reach isolated seniors and match them with local dogs, giving everyone a reason to step outside the door.

Loneliness can hit at any stage of life, but the older we are, the greater the likelihood of social isolation. Solitude has been linked to alcohol and drug abuse, eating disorders and depression. Sadly, a lack of social connections carries the same risk for early death as smoking 15 cigarettes a day. According to an article in the *Globe and Mail*, almost 25 per cent of Canadians and 40 per cent of Americans describe themselves as lonely.

Pedigree knows that dogs are conversations waiting to happen – and here’s a brand that believes our four-legged friends can make a difference. How about helping elderly people meet new friends by matching them with local dogs?

Following weeks of recruitment through direct mail, print and OOH, Dog Dates launched in the English town of Melton Mowbray – otherwise famous for its pork pies. The initiative paired isolated people with dog owners, so they could walk together. Recording an average of 4,000 steps each time they walked, the initiative got seniors outside and increased their activity levels.

The successful pilot earned media across multiple channels, including major TV. The campaign reached 19 million people, generating 23 million impressions. Every participant was interested in attending further Dog Dates – with four in 10 making plans to meet again. Fifty-seven per cent said they met so many new people they lost count. This heartwarming idea was so successful that Mars Petcare UK rolled it out across the entire country. Tails were wagging!



CLIENT: Mars Petcare | **PRODUCT:** Pedigree | **COUNTRY:** United Kingdom | **AGENCY:** AMV BBDO London | **AGENCY TEAM:** Executive Creative Directors Alex Grieve, Adrian Rossi | Art Director Rich Littler | Copywriter Zac Ellis | Account Team Danielle Betts, Anna Holloway, Alice Kassapian | Strategy Lola Finney-Neves, Niamh Power, Emma Stafford | Producers Edwina Dennison, Elizabeth Griffin.

A MESSAGE THAT REALLY REGISTERED

Supermarket giant Tesco used data and direct mail to reach high-value customers and win them back into stores.

Using data from Tesco's Clubcard loyalty program, the UK supermarket chain identified an opportunity to win back a group of historically high-value shoppers who had gradually reduced their in-store purchases until they'd eventually stopped shopping. The information included the name, address and store of 9,000 lapsed customers.

To reengage this group, Tesco mailed a personal message on a receipt from each shopper's local checkout register, which was referred to as "Till No. 4." The receipt contained a miss-you message and included a discount coupon the lapsed shoppers could redeem in store at Till No. 4. On arrival at the checkout with their purchases and coupon, the register recognized the customer and the in-store receipt greeted them with a new message, "Hurrah! You're back! We missed you." On the spot, the shopper then received another coupon to encourage a cycle of repeat visits.

The Tesco Clubcard is a classic example of data-driven direct mail. Using customer data to create two-way value enabled mass personalization that avoided generic stereotyping. Tesco engaged its customers with precision and relevance – making them feel understood and valued.

This was a retention campaign that really registered. Based on the success of the localized test, Tesco rolled out the campaign nationally. Overall, there was a 56 per cent redemption rate across the two offers [C\$10 and \$20 off], generating a C\$228,000 equivalent uplift in sales in the first 12 weeks of the campaign alone. Thank you for shopping!

TESCO

DEAR MRS SAMPLE
WHERE HAVE YOU BEEN?
IT'S NOT BEEN THE SAME WITHOUT YOU AROUND

IF YOU COME BACK SOON I'LL GIVE YOU £5 OFF YOUR SHOPPING – AND IF I'M BUSY, ONE OF MY FRIENDS WILL DO IT

HOPE TO SEE YOU IN THE NEXT FEW DAYS

FROM TILL NUMBER 4

07/06/05 12:39 1234 567 8910 0000

A LITTLE EXTRA FROM CLUBCARD
£5 OFF
YOUR NEXT SHOP IN-STORE

A Sample
123456 1234 1234 1234
Valid until 07/08/05

Please see over for terms and conditions

9 914427 205003

Tesco Stores Ltd
Registered Office
Tesco House, Delamare Road
Cheshunt, Herts. EN8 9SL
www.tesco.com
VAT NO: 220430231

THANK YOU FOR SHOPPING WITH US

TESCO CLUBCARD

We've missed you recently; so we're offering you a little thank you to welcome you back in-store. We look forward to seeing you soon. If you have any questions please call 0800 59 16 88. Please remember to use your coupon before the end date.

Tesco Stores Ltd
Registered Office
Tesco House, Delamare Road
Cheshunt, Herts. EN8 9SL
www.tesco.com
VAT NO: 220430231

THANK YOU FOR SHOPPING WITH US

TESCO CLUBCARD

We've missed you recently; so we're offering you a little thank you to welcome you back in-store.

This coupon can only be exchanged for qualifying purchases of goods or services equivalent to its face value, or it can be exchanged for goods or services of a higher value on payment of the difference, at any participating Tesco store in the UK or IOM.

Purchases of tobacco products, Esso fuel, café, lottery products, e-top up, prescription medicines, infant formulae milk and gift vouchers are excluded.

Age restrictions may apply.

Customers must be 18 years or over to purchase alcohol. Not redeemable through Tesco.com or Clubcard Great Deals. From time to time other goods or services may be excluded, if so notification will be given at point of sale.

This coupon has no cash value. No change given. Copied, damaged or defaced coupons will not be accepted. Valid until 07/08/05.

This voucher is and shall remain the property of Tesco Stores Limited and is not for re-sale or publication.

TESCO

DEAR MRS SAMPLE
WHERE HAVE YOU BEEN?
IT'S NOT BEEN THE SAME WITHOUT YOU AROUND

IF YOU COME BACK SOON I'LL GIVE YOU £500 FREE CLUBCARD POINTS – AND IF I'M BUSY, ONE OF MY FRIENDS WILL DO IT

HOPE TO SEE YOU IN THE NEXT FEW DAYS

FROM TILL NUMBER 4

07/06/05 12:39 1234 567 8910 0000

A LITTLE EXTRA FROM CLUBCARD
500
FREE CLUBCARD POINTS

A Sample
123456 1234 1234 1234
Valid until 07/08/05

Please see over for terms and conditions

TESCO CLUBCARD

We've missed you recently; so we're offering you a little thank you to welcome you back in-store.

TESCO CLUBCARD

We've missed you recently; so we're offering you a little thank you to welcome you back in-store.

TESCO

DEAR MRS SAMPLE
WHERE HAVE YOU BEEN?
IT'S NOT BEEN THE SAME WITHOUT YOU AROUND

IF YOU COME BACK SOON I'LL GIVE YOU £5 OFF YOUR SHOPPING WHEN YOU SPEND £20 – AND IF I'M BUSY, ONE OF MY FRIENDS WILL DO IT

HOPE TO SEE YOU IN THE NEXT FEW DAYS

FROM TILL NUMBER 4

07/06/05 12:39 1234 567 8910 0000

A LITTLE EXTRA FROM CLUBCARD
£5 OFF
WHEN YOU SPEND £20 OR MORE IN A SINGLE TRANSACTION

A Sample
123456 1234 1234 1234
Valid until 07/08/05

Please see over for terms and conditions

TESCO CLUBCARD

We've missed you recently; so we're offering you a little thank you to welcome you back in-store.

TESCO CLUBCARD

We've missed you recently; so we're offering you a little thank you to welcome you back in-store.

CLIENT: Tesco | PRODUCT: Tesco Clubcard Win Back Campaign | COUNTRY: United Kingdom | AGENCY: EHS Brann | AGENCY TEAM: Creative Director/Copywriter/ Art Director Nigel Clifton | Account Direction Anna Dobson.

ALL DOLLED UP AND SOMEWHERE TO GO

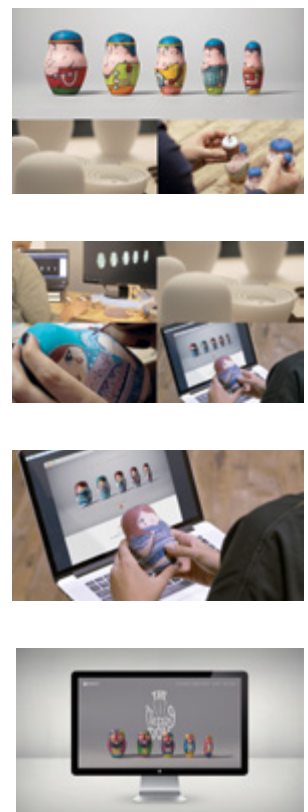
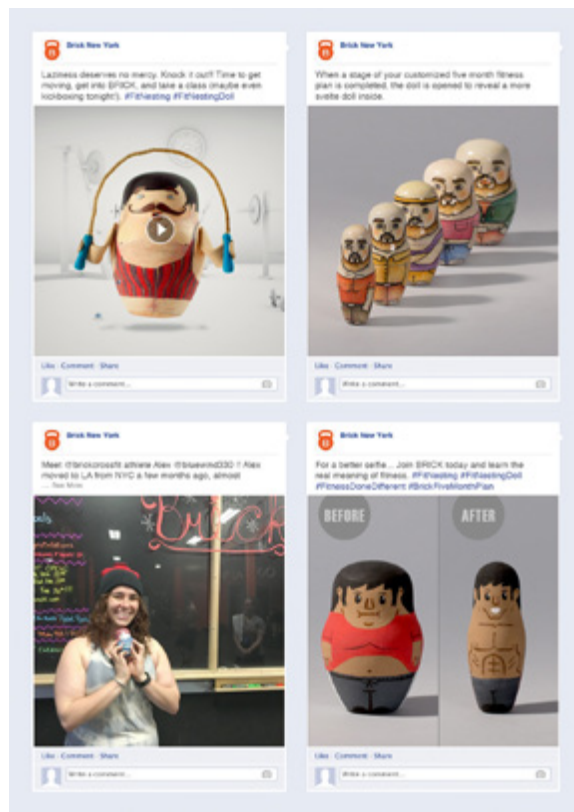
Brick fitness nurtured customers by giving a physical shape to their fitness goals to increase retention and provide a unique customer experience.

Nearly 80 per cent of us who join a gym at the start of the year will quit within five months. Keeping the motivation is hard, especially when we don't see results right away. That's why Brick – a U.S.-based group class fitness chain – came up with a creative way to keep its new members on track.

Individually illustrated by artists, Fit Nesting Dolls brought custom workout plans to life for new Brick members. The different layers of the dolls represented the stages of the customer's progress toward fitness goals. Losing weight or preparing for a triathlon? There was a five-month plan for everyone – all on a USB drive inside the nesting doll.

Brick was investing in the success of its clients. Fit Nesting Dolls were mailed to new members as an incentive to follow their personalized fitness plan. Each one a work of art, they would almost certainly have been displayed at home, serving as a constant reminder of good intentions. To reinforce the campaign and attract more members, all the dolls were also featured on Brick's website, along with proud stories from gym members about how the mailings helped them keep to their workout routines. Posters and social content helped promote and reinforce the initiative.

The direct mailing was a critical element of an integrated program that bridged social, in-store and in-home to motivate and nurture gym members to stay on track by combining personalization, expert support and social community. The Fit Nesting Doll retention program gave a physical shape to fitness goals and progress to reinforce behaviour.



CLIENT: Brick | **PRODUCT:** Fitness Program | **COUNTRY:** USA | **AGENCY:** BBDO, New York | **AGENCY TEAM:** Chief Creative Officer, BBDO Worldwide David Lubars | Chief Creative Officer, BBDO New York Greg Hahn | Associate Creative Director/Art Director Bianca Guimarães | Senior Art Director Florian Marquardt | Senior Copywriter Rodrigo Linhares | Physical Designer Jeian Jeong | Production Director of Integrated Production David Rolfe | Executive Producer Neely Lisk | Lead Integrated Producer Courtney Fallow | Digital Production Company Visorama Diversões Eletrônicas | Account Manager Samanta Martins | Senior Communications Planner Nicole Landesman.

HOLO, MY NAME IS DAVE

O2 demonstrates its business dedication using rich prospecting profiles and holographic technology to create an advisor in a box.

O² is the UK's second-largest mobile network operator. The company promises its corporate customers: "When you join O2, you're never alone. You'll get your own dedicated Digital Advisor who is an expert in finding the right tech solutions to boost your business growth."

Senior executives at 50 companies were identified as high-value prospects – key decision makers in the process of switching mobile phone providers. But it's tough to get a sales meeting with busy executives, especially when they think they've heard it before. That's why O2 created Digital Dave, the personal holographic advisor.

O2 gathered data on the 50 target businesses, and created personalized scripts to address each executive individually. A package was mailed, with the words, "This time we're thinking inside the box." Once the executives opened that box, they met Digital Dave, who greeted each recipient by name and explained how O2 could help grow their business. Thanks to tracking integrated into the mailer, O2 was able to follow up with a sales call shortly after delivery – capitalizing on the impact of the direct mail to convert these icebreakers into face-to-face sales meetings.

In the first week, 22 per cent of the executives took the sales call and 10 face-to-face sales meetings were booked. It's a great example of account-based marketing that co-ordinates marketing with sales enablement to deliver a high-impact, custom experience that's worthy of unboxing.



CLIENT: Telefonica | **PRODUCT:** O2 | **COUNTRY:** UK | **AGENCY:** MBA, London | **AGENCY TEAM:** Executive Creative Director Graham Kerr | **Creatives** Tom Howard, Mark Wilson, Jack Gallon, Debbie Leighton | **Director of Planning** James Devon | **Planner** Caitlin Evans | **Designer** Joss Dickinson | **Production** Matt Hitchcock, Vicky Kioutsouki, Rodrigo Marquez.

SPREADING THE LOVE

Stonemill engaged online buyers with packs of lunchbox love notes to reinforce the convenience of its new, slow-crafted bread.

Food-conscious parents wanted an everyday sliced bread with artisanal qualities and nutritional value. However, the supermarket shelves only offered mass-convenience or artisanal bread. Like beer, there was an opportunity to challenge the existing offering and own a craft space in the bread aisle. With sliced bread volume in decline and an industry looking for a new standard, Stonemill Bakehouse proved that where fast bread dominated, slow bread could prevail.

Relaunching as the slow-crafted bakehouse, Stonemill focused on its healthy heritage of bread that naturally ferments over time. The brand's new positioning of "slow-crafted enjoyment" addressed the changing food and lifestyle expectations of a different generation of shoppers who are turning away from commercial sliced bread.

With more parents shopping online for everyday groceries – without the exposure to in-store display – the brand wanted a way to reinforce its slow-crafted values. Preparing family lunches is typically a rushed affair. How could Stonemill craft some slow into the process and up the enjoyment of the lunch box reveal?

Taking advantage of back-to-school, the brand used values-based targeting to reinforce purchase decisions and anchor the brand in the home. Stonemill sent parents who purchased the bread online a package of slow-crafted love notes – adding a physical touch to online orders.

The Stonemill Bakehouse campaign saw a 23 per cent revenue increase for an investment of five per cent of category spend. Earned impressions on social media lifted total campaign impressions by 25 per cent.



CLIENT: Stonemill Bakehouse | **PRODUCT:** Commercial Bread | **COUNTRY:** Canada | **AGENCY:** Mass Minority
AGENCY TEAM: Chief Creative Officer Brett Channer | Creative Director Tyler Serr | Director of Art & Copy Gary Holme | Art Director Marina Kzouhan | Copywriter Roya Hakami | Designers Marina Kzouhan, John Tisdale | Managing Director Christine McArthur | Campaign Manager Morgan Turner | Production Jack Taylor | Chief Media Architect Julie Myers | Media Technologist Jerry Teo | Developers Jacob Bondre, Robbie Barnett-Kemper.

AT THE INTERSECTION OF CONVENIENCE AND MEANING

Here's where we examine the heartbeat of an industry sector and unpack what this means to marketers. In this issue, we'll be talking retail, which, like many industries in the past 10 years, has experienced a lot of disruption. We'll look at the hits and misses, and where the opportunities lie for marketers to shape future value.

CANADIAN RETAIL OVERVIEW

ONLINE RETAIL

E-commerce continues to be a key focus of Canadian retailers to drive growth in a competitive retail environment, and the percentage of internet sales is increasing in Canada, with strong competition from foreign online retailers and Amazon. Sixty-seven per cent of Canadians start their online product search at Amazon, but the retail giant's market penetration is still lower in Canada than the U.S. This is in part due to having less of a price advantage north of the border.

MID MARKET

Mid-market retailers in Canada will have to compete in a tough retailing environment, in which many consumers are either trading up [premium] or trading down [value]. Mid-market brands like Gap continue to close stores.

MALLS

Compared with the U.S., Canadian malls continue to thrive. Continued investment aims at creating more dynamic experiences for consumers. Despite the U.S. having considerably more retail space than Canada, Canadian malls are more productive, seeing year-over-year gains.

CANADIAN TEMPERATURE CHECK

Canadians link their aspirations to well-being and, despite being financially vulnerable, would rather save money than pay down debt so that they can fuel their current lifestyle.

Consumer confidence is weak

(BNN Bloomberg)

46% of Canadians are \$200 away from insolvency

(Canadian Conference Board)

The gap between GDP and wellness is growing

(Canadian Wellness Index)

Canada is the third most sleep-deprived country

(Aviva Insurance)

Canadian household debt is at a record high

(Statistics Canada)

The on-demand economy is fuelling precarious work in Canada

(betakit.com)

Canadians are the second-highest users of credit cards in the world

(Canada Post)

COMMERCIAL PROPERTY

Commercial real estate is strong, despite a supply shortage across office, industrial and retail. Increases in price per square foot for retail property are making it hard for independent and next-generation retail to afford space. The distribution of available square footage is out of sync with demand, especially as retailers seek smaller footprints. We will see more alternative strategies like pop-ups and like-minded, shared-space arrangements.

INNOVATION LAG

Canadian retailers are behind on innovation and have been slow to invest in technology and data, devise omni-channel strategies and develop personalization.

RETAIL COMPLACENCY

2017 was a bad year for retail, particularly in the United States. The term 'retail apocalypse' was coined as a reaction. The impact was quieter in Canada, but the signs are still there, and the root cause the same:

"...Many experts expected 2018 to be even more disastrous to the retail industry. Instead 2018 saw the rebirth of physical retail, with startups developing their own take on stores and large real estate companies rethinking how malls should be designed. Looking back, the problem wasn't that people had gotten too lazy to leave their homes; it's that brands had become complacent about making shopping IRL a worthwhile experience."— Adapted from The Surprisingly Bright Future of Retail, Fast Company.

RETAIL PRIORITIES

There's no one-size-fits-all formula for what it takes to be successful, but it does take a combination of human experience and technology.

HUMAN EXPERIENCE

Brand
Storytelling
Customer experience
Front-end staffing

TECHNOLOGY

Deep-learning algorithms
Physical store digital integration
Chatbots

HUMAN EXPERIENCE × TECHNOLOGY

Personalization
Privacy
Customer service

ONLINE VS. PHYSICAL

ONLINE SHOPPING DRIVERS

Convenience and comfort
Access to broad range of brands
Window shopping

PHYSICAL RETAIL DRIVERS

Product interaction
Brand experience
Access to local brands

THE PHYSICAL EFFECT

"We found that people still really love strolling down a shopping street, and checking out products in person ... And we've found that interacting with the brand in store makes a customer more loyal." – Elizabeth Segran, The Surprisingly Bright Future of Retail, Fast Company

Opening physical storefronts makes sense. Brick-and-mortar stores increase website traffic for brands in a market by as much as 37 per cent, according to the International Council of Shopping Centre's *Halo Effect* study, which was recently discussed in detail in *Retail Insider*.

According to retail futurist Doug Stephens, "Physical retail stores are transitioning from being primarily a distribution channel for products to becoming a powerful media channel for branded experiences and stories."

RISK DRIVERS

For retailers the risks come in many forms.

- › Too many choices eroding brand differentiation
- › Not keeping up with customer expectations
- › Product and price have become commoditized
- › Inadequate focus on customer service and ease of interaction
- › Customer experiences not meaningful, personalized, shareable, memorable
- › Investment in data and technology advancement

RETAIL TRENDS AND FUTURES

The future trajectory of retail will deal with the two types of shopping in our lives: chore and cherish. The goal will be to make everyday shopping easier, and to create deeper engagement for the shopping that gives us pleasure.

SELLING

- › Social selling will become embedded in the ecosystem, shifting how people use channels.
- › Mobile commerce is rising, and social media is likely to be a bigger part of that future. All sorts of brands, from H&M to Pizza Hut, are experimenting with shoppable chatbots on social media platforms like Facebook Messenger.
- › QR codes are making a comeback because Apple added them to their iOS 11 update.

OUTSOURCING

- › Subscription, auto-renewal and same-day delivery will continue to amplify convenience.
- › The trend toward personal assistants will continue as we look to outsource mundane tasks.
- › In-home services, delivery and consultations will pervade the market.

CUSTOMER SERVICE

- › Staff will continue to play an increasingly valuable, skilled role, and retailers will need to put greater emphasis on employee welfare and empowerment.
- › Chatbots and IM will continue to evolve to provide dynamic and real-time service.

PAYMENT

- › Invisible payment will continue to impact physical retail as we move from frictionless to invisible, with retail concepts like Amazon Go now a reality.
- › Installment plans will continue to appear on payment pages online.

ETHICAL CONSUMPTION

- › Post-consumer waste and upcycling into products and packaging will go mainstream.
- › There will be a continued emphasis on managing distribution to reduce surplus product.
- › Programs to exchange, manage and dispose of items that are no longer needed will continue to become part of retail business models.

HERE'S A SNAPSHOT OF TODAY'S E-SHOPPERS IN CANADA



Location

45% urban
36% suburban
19% rural



Gender

48% men
52% women



Households

38% couples without children
22% couples with children
19% single, living alone
13% single, living with other adults
8% single parents



Age Cohort

35% baby boomers (53-72)
32% millennials (18-37)
28% Gen Xers (38-52)
5% pre-boomers (73+)



Income Average annual household income **\$92,656**

FULFILLMENT

- › The last mile will continue to force integration between operations, logistics, e-commerce and physical retail.

CUSTOMIZATION

- › Services like Muji custom embroidery – enabling shoppers to build and personalize products – will prosper.
- › Mood sensors to customize experiences will evolve, like Walmart investing in mood recognition software to manage checkout lines.

NEW CONCEPTS

- › Stores within stores will continue to have an impact on digital and physical retail.
- › More independent brands will come together to share and curate common spaces.
- › More mixed concepts will bring related ideas together to create unique, community-oriented retail spaces like pharmacy + wellness, grocery + restaurant, clothing + grooming.

THE MODERN CONSUMER

The biggest risk in retail is not knowing who we are designing our business for – who we want to attract and retain. They want to see themselves in your brand. We need to be in the business of serving

human needs and desires. People want greater convenience, better value, more excitement, deeper meaning, elevated status, genuine relevance, credible authenticity, social belonging, ethics and more.

Creating value in the age of me starts with asking, “What do you want, and how can I help you?” Ask yourself:

- › What is scarce in their lives?
- › What is creating anxiety?
- › Where do they feel forced to compromise?
- › How are people finding emotional balance?
- › What values are driving new ideas?
- › How are their expectations changing?
- › What workarounds are people employing?
- › How can we help declutter their headspace and make room for life?

MEANINGFUL CONSUMPTION

Retail expert Robin Lewis of *The Robin Report* notes that millennials are “more into the style of life than the stuff of life. This is a big threat to retail. They’re not into a lot of shopping.” The millennial effect has led to:

- › A resurgence of vintage and the popularity of repurposing
- › An attraction to quality products with authentic stories
- › Collage as a lifestyle aesthetic – layering experiences, DIY, high and low purchases

AGEISM IN RETAIL

The modern retailer shouldn’t just be influenced by those under 35. There is a vital, aging population of boomers who are culturally tuned in and want to live independent, high-quality lives. According to research, 86 per cent of marketers overestimate how much consumers under the age of 35 spend, whilst 72 per cent underestimate how much consumers 55 and older spend. *Age of Majority, October 2017.*

INCITING ACTION

MARKETING CHALLENGES

- › Evolving from selling products to serving people
- › Prioritizing investments between channels and experience
- › Investing in personalization
- › Orchestrating the ecosystem
- › Marketing and sales integration
- › Digital and physical integration
- › Using media to extend retail experience, increase intimacy and fill in ecosystem gaps
- › Achieving intimacy to incorporate privacy, data utility and channel

KEY TAKE-AWAYS

- › More than ever, retailers require a well-defined brand
- › Experiential design is necessary to compete
- › The physical retail store is no longer about buying
- › Technology needs to enable human value, not just conversion
- › Consider risks holistically, not in silos
- › Focus on what’s driving lifestyle agendas across age segments
- › Prioritize workable innovation over low-impact gimmicks



LOVE, ACTUALLY

Ralph Dunning [RD], Managing Director, The Brand Unification Co., and Reilly Stephens [RS], Director of Insights, Retail Prophet, share their perspectives on loyalty in a Q&A session with Lyndsey Bishop, Acting Director, Market Strategy & Innovation, Canada Post. It gets to the heart of what brands need to focus on in a direct-to-consumer marketplace. Love, actually.

Is loyalty an out-of-date concept?

RD Loyalty has never been as important or relevant as it is today. Direct-to-consumer has changed this concept completely, and now more than ever we need to build fierce loyalty in consumers and engage them as lifelong advocates.

RS Loyalty is not an out-of-date concept, but it is misunderstood. There is a difference between loyalty and love. When brands and retailers simply try to generate loyalty, they focus on transactions and leave gaps in the experience. In fact, 81 per cent of loyalty program members don't even know what their rewards benefits consist of. Good brands and retailers will build love by putting the customer at the nucleus of every decision.

Should marketers apply a generational approach to loyalty?

RD Today all generations are looking for authenticity, sustainability, transparency and companies they can stand behind. This is really the case in particular with companies like Patagonia, whose customer base covers all generations. They have also inspired other companies in many industries to operate with transparency.

RS Marketers should apply a people approach to loyalty. There is no one-size-fits-all for generations, just as there is no one-size-fits-all for customers in general. Learn about your consumers as people, speak to them like people and adapt to their unique needs.





What's your definition of customer lifetime value?

RD The best companies have the best product, and the ability to articulate who they are through authentic storytelling. It's the companies like Rolex, Hermès, Toyota and Supreme – who can control their brand, product and quality for decades – that define this. I refer to this as consistent, yet constantly evolving.

RS Traditionally, customer lifetime value is measured based on the net profit attribution of the future relationship with a customer. Now, the role of a store is changing. Customers are the largest marketing network your brand has, and you only have one shot to use them. Fifty per cent of consumers say they trust a recommendation from a friend more than traditional advertising. Every customer you engage with has the potential to be a valuable influencer. In essence, customer lifetime value is more about how much influence an individual has and how much of a brand evangelist they can become.

What are your favourite tactics to encourage loyalty in an increasingly direct-to-consumer marketplace?

RD Today, consumers expect a business to be more responsible socially, environmentally, financially and ethically. They expect transparency and want to know the people in the company. This means the best product and the best storytelling wins, and you can no longer fake that. The consumer is incredibly well educated on who is making the best product, so be a design-led company that understands the importance of business and profitability. Most are one but not the other – today it's the companies that merge creative with business in a unified manner who will lead.

RS Truly understand your customer as a whole person, not just as a consumer. Be fearless in your discovery and accept that you may have to tear down and rebuild systems that have been in place in your organization from the beginning.

MILLENNIAL MYTHS ARE KILLING LOYALTY

Reilly Stephens, Director of Insights, Retail Prophet



I can't think of a retailing conference I've attended where there hasn't been a session on how to market to millennials. Typically, millennials are described as esoteric beings who marketers struggle to understand. Retailers and brands in the audience furiously take notes, anxious to comprehend the generation that will ultimately make or break the future of their business.

ADAPT OR DIE TRYING

A 2018 report from Nielsen states that millennials currently represent 27 per cent of the Canadian population. They are spending more dollars per shopping trip than any other generation – and at \$55.45 per trip, that's a \$2.11 increase from 2017 and more than \$7 above the national average. Yet this is only when they shop in store. The same report states that, compared with other generations, millennials are making on average 43 fewer trips to stores annually. Retailers and brands clearly understand the reality of the situation: adapt or die trying.

MILLENNIAL MISINFORMATION

Brands are attempting to frame a generational range of 20 years – a cohort of consumers that understand and engage with technology in vastly different ways. The youngest millennial grew up with a mobile device in hand; the oldest millennial is nearly 40 years old and [likely fondly] remembers the good ol' analog days. Unfortunately for marketers, there is no one-size-fits-all approach to millennials.

We constantly hear and read myths about what millennials want and don't want. Sensational headlines tell the world that our attention spans are getting shorter, that we are killing physical retail and that we are anti-social.

“Brands are endlessly trying to devise strategies that appeal to this generation when what they need to be thinking about is how to understand their customer, and market to them as people.”

DON'T MAKE ME “JOIN THE CONVERSATION”

I personally spend about five hours a day on my phone. Like it or not, my world has become a series of notifications and alerts. I curate what I look at based on my beliefs and who provides me the most value. I unsubscribe from emails daily, and I use unfollow and mute buttons liberally.

The harsh reality that brands and retailers may want to consider is that very few people I have spoken to are interested in “joining the conversation” with a brand, unless it provides them with something to talk about – or perhaps allows them to feel closer to like-minded people.

Brands and retailers that send promotional emails every other day with a call to action or a selfie wall asking me to promote their store aren't likely to get the response they're looking for. And, not every millennial wants to “download the app” for the handful of times they shop with you.

STRATEGIC MISSTEPS

Brands are endlessly trying to devise strategies that appeal to this generation when what they need to be thinking about is how to understand their customers, and market to them as people.

Take Macy's One Below in Herald Square, New York. Launched in 2015 specifically to attract the attention of millennials, Macy's created what can only be described as a clichéd attempt to jam pack the space with anything and everything they thought millennials would want. A selfie wall, 3D printers and charging stations all made the space feel out of touch and contrived. The selfie wall encouraged people to use the hashtag #Macyslove – because everyone wants to post a selfie proclaiming their love for a department store, right?

WHERE'S THE INTRINSIC VALUE?

The reason this strategy doesn't work is because Macy's may not have taken the time to understand their customers outside of the myths. They didn't provide them with intrinsic value. Macy's technology and installations in the space seemed gimmicky, and missed an opportunity to make genuine connections through highly personalized and high-touch experiences. Consumers, regardless of generation, now crave the same hyper-targeted experiences in physical retail that we receive online. Our behaviour as in-store shoppers is being shaped by our changing expectations and driven by the personalization we are accustomed to online. A study by Salesforce revealed that 51 per cent of consumers expect that companies will anticipate their needs and make relevant suggestions before the consumer even makes contact.

YOUR VIBE ATTRACTS YOUR TRIBE

In contrast to Macy's, Nike has developed an acute knowledge of their customers, and found a plethora of ways for them to connect with the brand. The Nike+ Run Club is a gateway for collecting a database of consumer information. The Nike+ app offers access to experiences in new stores, Nike by Melrose in Los Angeles and Nike House of Innovation in New York City. They've used technology to understand not just how millennials shop, but who they are and what they like, so that Nike can offer services such as reserve-in-app-and-try-on-in-store.

Nike's events offer a sense of community, with their stores as the backdrop. They took a stance on political issues when their advertisement in support of Colin Kaepernick taking a knee against police brutality went live. Did they take a hit immediately after? Yes. Did their stock close at record highs in 2018? Also yes – not to mention attracting a new customer base.

MOVEMENTS THAT SHAPE US

We live in a time where the world is being shaped perversely by the political landscape. The #metoo movement, the environmental crisis, diversity and inclusion are all issues we watch unfold. We participate and drive them, too. These issues are causing us to look critically

at how we act, what we say and what we do – including the organizations we choose to support and the retailers and brands we choose to shop. Gen Z is growing up watching this unfold and is willing to pay 50-100 per cent more for sustainable products, compared with other age groups, who are willing to pay only 25 per cent more.

STEREOTYPICAL PLATITUDES

Remember the infamous Kendall Jenner Pepsi ad? In an effort to be politically and culturally relevant, Pepsi featured a 30-second spot with Kendall Jenner marching through a crowd of protesting multicultural millennials. Jenner makes her way through the throng and up to a line of riot police, handing one a Pepsi. Everyone hugs. The protest is over! And, just like that, they minimized important issues that people truly care about to a 30-second tone-deaf celebrity endorsement of their brand. With no corporate commitment to the cause, the ad was a slap in the face to those who actively fight these issues every day.

PUT YOUR MONEY WHERE YOUR MOUTH IS

Patagonia takes a very different approach. Founded by Yvon Chouinard, whose passion for environmental issues is at the root of everything the company does, Patagonia is actively in the business of environmental and social responsibility. The company promotes women into leadership roles, sends nannies on business trips to encourage work-life integration and hosts child care within its facilities. Patagonia also made waves recently when it became public knowledge that it not only encourages its employees to take part in peaceful protests, but will bail them [and their spouses] out of jail if they are arrested as a result, pay for their legal fees and pay them for their corresponding time away from work.

It is this dedication to embracing their values and empowering their employees to live according to those values that has become an exemplary model for modern business. An advertisement that went to market in 2012 asked consumers to question whether or not they really needed another jacket. The ad read, "Do

Not Buy This Jacket." It demonstrated that the future of the environment is more important to Patagonia than the sale. But a funny thing happened after it went live – sales increased dramatically.

TURNING LOYALTY ON ITS HEAD

Companies like Nike and Patagonia are succeeding because they recognize that they have the power to give their customers a voice – not as a generation, but as people. These brands are representative of the beautiful and diverse world that we live in. We are inundated with notifications, messages, emails, news alerts. We are growing tired of it. We are looking for excuses to turn off our phones. We are seeking human connection.

Retailers should not be discouraged. I would argue that this is the most powerful time for retailers and brands to take a stand for what they believe in, bring people together and show undying love and support for their customers. We do not want retailers and brands to pander to us using generational clichés. We want you to give us a reason to talk about you and engage with you.

Once you begin to understand us, not as a generation, but as people, you can provide true value for us and for generations to come. Ask not how you can make millennials loyal to your brand, but what you can do to be loyal to millennials.

Reilly Stephens began her career in experiential marketing. Since then, she has worked at agencies such as Sid Lee and Vice Media as an integral part of the ideation and launch of national campaigns for brands and retailers including Coca Cola, General Mills, Ford, Google and lululemon.

Reilly has an unrivalled finger on the pulse of all things culture. As Retail Prophet's Director of Insights, she leverages her understanding and network in the music, tech, marketing and advertising industries to keep the team up to speed on grassroots movements and trends.

THE LOYALTY ROLE REVERSAL

Be loyal to your customers to keep them coming back. It's clear today that people don't just want to buy a brand, they want to buy into it. And that means looking at loyalty from the customer perspective to keep them invested.

The rise of direct-to-consumer brands and mobile interaction has made it easier than ever to opt into a brand. It's also never been easier to opt out, as people deal with expanding email inboxes and endless social notifications.

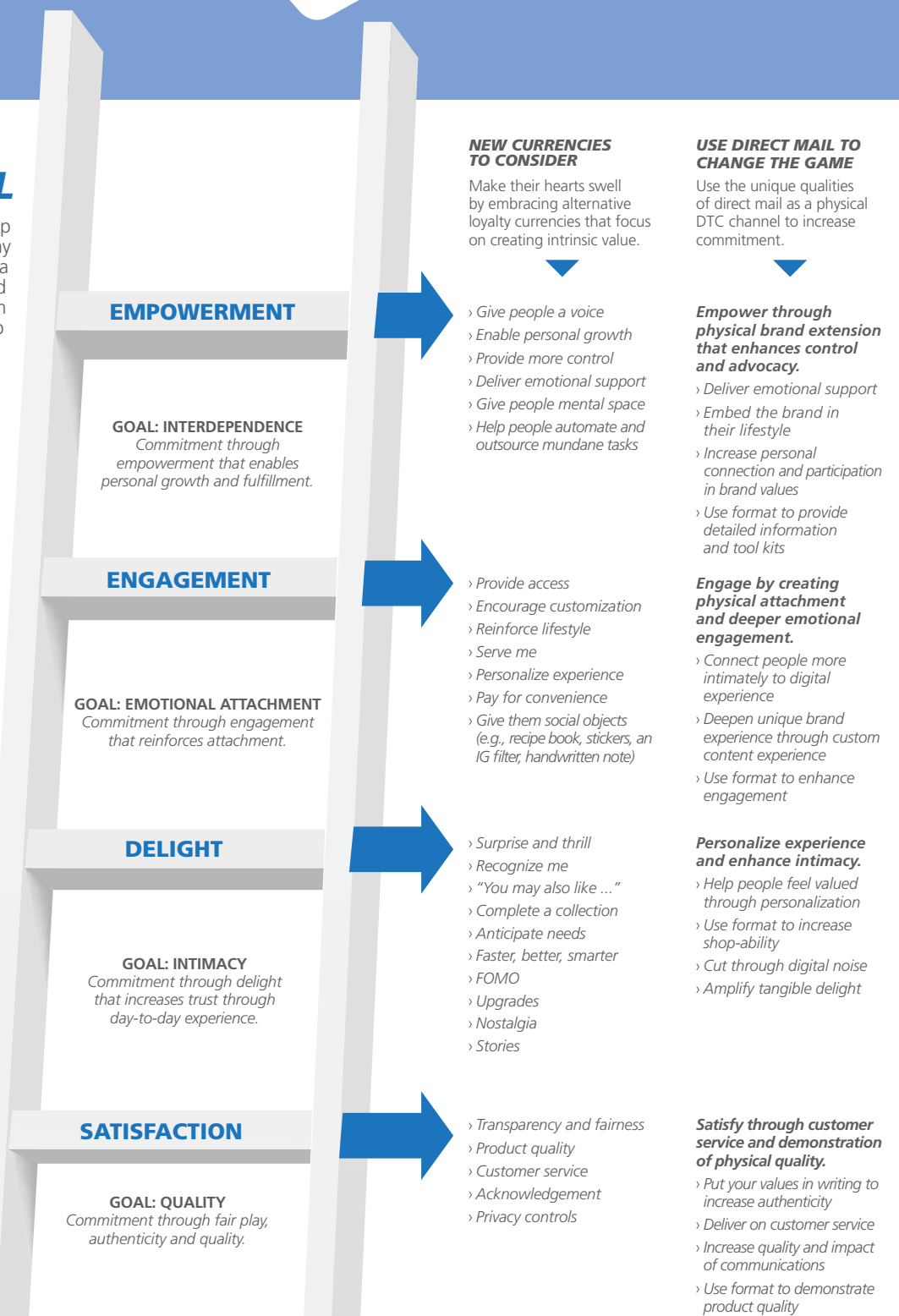
Research by evolutionary psychologist Robin Dunbar suggests most people can only maintain five intimate relationships at once. It's a question of how much time and energy you can invest that creates limits. Our social networks are layered, starting with five intimate relationships and moving outward to less intimate circles of about 15, 50 and 150.

Now think about this from a brand perspective. If we extrapolate this concept to the time we have in our lives to interact with brands and content, it makes "joining the conversation" seem objectively futile.

"Brand Differentiation has a greater correlation to loyalty than Brand Awareness." – Idris Mootee, CEO, Idea Couture

Today, brands need to focus on earning people's time and commitment. To keep them coming back, it's time to load the word "loyalty" with what matters to people.

The Brand Commitment Scale is a model related to Maslow's hierarchy of needs, which focuses on commitment by appealing to personal motivations and desires.



NEW CURRENCIES TO CONSIDER

Make their hearts swell by embracing alternative loyalty currencies that focus on creating intrinsic value.

USE DIRECT MAIL TO CHANGE THE GAME

Use the unique qualities of direct mail as a physical DTC channel to increase commitment.

Empower through physical brand extension that enhances control and advocacy.

- › Deliver emotional support
- › Embed the brand in their lifestyle
- › Increase personal connection and participation in brand values
- › Use format to provide detailed information and tool kits

Engage by creating physical attachment and deeper emotional engagement.

- › Connect people more intimately to digital experience
- › Deepen unique brand experience through custom content experience
- › Use format to enhance engagement

Personalize experience and enhance intimacy.

- › Help people feel valued through personalization
- › Use format to increase shop-ability
- › Cut through digital noise
- › Amplify tangible delight

Satisfy through customer service and demonstration of physical quality.

- › Put your values in writing to increase authenticity
- › Deliver on customer service
- › Increase quality and impact of communications
- › Use format to demonstrate product quality



**INCREASE YOUR
RETENTION SPAN
FOR A LIFETIME OF
CUSTOMER
VALUE**

There was a time when our lives were more narrowly defined. In a world where lines weren't meant to be crossed, you had to pick a side. Above or below the line? Work or home? Business or consumer? Acquisition or retention? Direct or indirect? On-demand or scheduled? Digital or physical? >>

Then the world became more fluid, and people started to expect more. With that came the realization that many things work better together, and the days of silos were numbered. Businesses can be run from home, B2B marketers are also consumers, organizations can go direct-to-consumer, customer journeys are no longer linear.

WE NEED TO TALK ABOUT RETENTION

Amid all this change, there's no doubt that it's become harder for marketers to find and hold onto customers. Hostages to past thinking, we're still learning to be more fluid, to take a more holistic and integrated approach to marketing.

To achieve renewable value, our acquisition and retention activities need to play better together. Retention can no longer be an afterthought. After all, we know from Bain and Co. that it costs seven times more to attract new customers than it does to retain existing ones. Increasing customer retention rates by five per cent also increases profits by 25 to 95 per cent.

BRAND USERS SHOW UP EARLIER THAN BUYERS

Retention marketing isn't just about keeping your customers sweet. According to *Harvard Business Review*, the most successful companies focus on users, not buyers. This mindset concentrates on how users experience the brand, whether or not they have purchased it – on how the brand fits into their lives. It puts the onus on brands to pay closer attention to the relevance, utility and value that marketing itself creates.

We need to reposition retention as a catalyst for growth and profitability, rather than considering it a drain on resources, because competitive advantage in a fast-paced and saturated marketplace requires a focus on creating renewable value.

A retention mindset requires a shift in focus.

- › From customer to user
- › From purchase to usage
- › From promotion to advocacy
- › From brand as positioning in consumer minds to brand as position in consumer lives
- › From customer perception to customer experience
- › From b2c to b2p2p

LOYALTY AND RETENTION ARE NOT THE SAME

Loyalty is transactional and retention is transformational. Retention is about seamlessly engaging audiences, and should involve mutual, renewable and relevant value. Successful brands invest in both users and customers, and treat them as individuals. The idea of people being loyal to brand in a one-way relationship is gone. People no longer think about it that way. For them, it's about their brand repertoire. People now manage their own brand portfolios according to their values and lifestyle preferences – transcending traditional categories. They expect you to know exactly what those are if you want to continue to earn their business.

- › Brand repertoire
- › Commitment not loyalty
- › Two-way value exchange
- › Lifestyle not category

RETENTION IS AN ECOSYSTEM PLAY

Retention requires an ecosystem approach to create renewable value for users. Acquisition focuses on the pre-purchase moment of truth, while retention-minded activities focus on the extended experience with multiple renewable moments of truth within the entire customer journey.

You can't confine retention to the marketing department. Retaining and amplifying your best advocates involves everything you do as an organization, because it all has an impact on customer experience. When you throw your energy behind brand entanglement you make it attractive and valuable for people to remain part of your story. This not only holds true for users but for employee engagement as well.

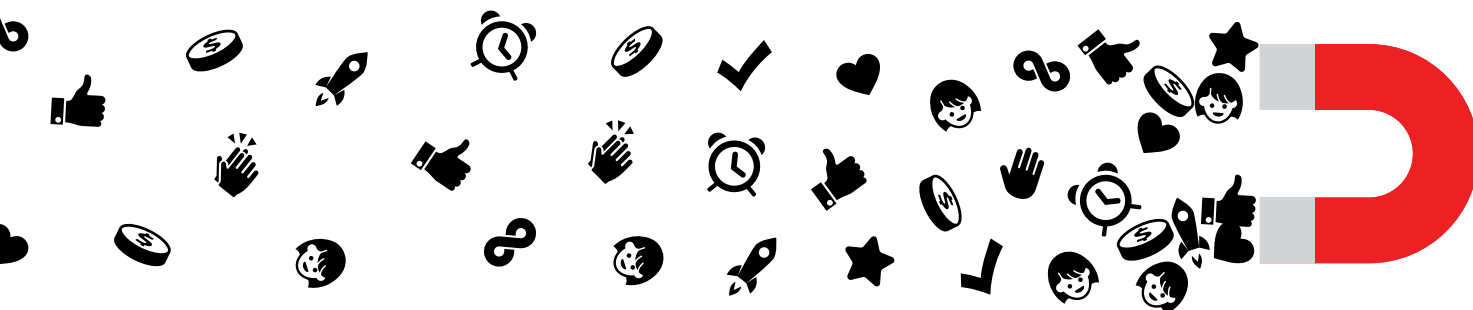
Personalization has a big role to play in retention marketing. Brand activities will need to be focused on understanding and anticipating the different kinds of value you can bring to individuals in exchange for their attention, interest, time, goodwill, trust, participation, desire, repeat purchase and favourable opinions. Think about your customers as brand partners. This simple mental shift across your entire organization will have powerful consequences.

CREATE FLUIDITY BETWEEN ACQUISITION AND RETENTION

Get more out of retention by focusing on renewability, adopting a user mindset and orchestrating efforts across the ecosystem.

- › Take a brand ecosystem view of retention activities
- › Start conversations both online and in person
- › Use highly personalized content to re-engage
- › Reward people for letting you know more about them
- › Amplify retention to achieve acquisition
- › Bring user-to-user experience into the ecosystem
- › Prioritize anticipatory mechanisms

In step with this, marketers are beginning to shift budgets to retention with an always-on mindset. They are re-examining how their activities are orchestrated to serve a holistic user experience.



WITH RETENTION, TIMING IS EVERYTHING

When planning retention activities, pay close attention to the pace and sequence – within and between channels – the level of personalization and intimacy, as well as user context.

What can social media do to reduce the number of emails? What can a direct mail message do to increase cart conversion that five emails can't? What can a chatbot vs. a lengthy email do to improve onboarding?

CREATING USER SCENARIOS

Leveraging a defined brand experience to anticipate users and increase brand entanglement takes a testing-in-real-time approach to increase the sensitivity and effectiveness of retention marketing.

Data-informed scenario mapping increases predictable outcomes. Decision trees, choose-your-own-adventure story mapping and if-that-then-this framing [IFTTT] are all useful prototyping techniques to define conditional user scenarios that will be more relevant and responsive.

Can content visibility be extended and amplified with direct mail?

Defining user scenarios is the foundation for designing holistic retention plans and effectively orchestrating retention activities. Understanding what users expect and find motivating or valuable within the customer journey impacts what tactics will convert, what media and formats to choose, the order of activities and scheduling frequency.

TEST AND OPTIMIZE
Inventory your current activities for strengths and weaknesses. It's important to know what is and isn't working, but also why. It may just be a matter of orchestrating activities differently or optimizing a variable. The best way to keep honing your retention scenarios is to test, re-orchestrate and optimize.

MEDIA SEQUENCING

MEDIA COMBINATIONS

FREQUENCY

MESSAGING

IMAGERY

OFFERS AND CALLS TO ACTION

USER MINDSET	VALUES	DESIRES	EXPECTATIONS	MOTIVATIONS	BEHAVIOUR	IFTTT
<i>What is the user's mindset in this scenario?</i>	<i>What values are important to the user that can be leveraged for shared value?</i>	<i>What do they find: Desirable? Valuable? Useful? Interesting?</i>	<i>What expectations are influencing them?</i>	<i>What are the user's motivations?</i>	<i>What are current behaviours? Do we need to: Leverage? Change? Amplify? Perpetuate?</i>	<i>Define this for the user scenario from their point of view.</i>

INTERVENTION OBJECTIVE	DESIRED OUTCOMES	ACTIVITIES	MECHANICS AND RULES	INCENTIVES	CHANNELS, MESSAGES AND FORMATS	IFTTT
<i>What are you trying to achieve and how does it relate to retention? Complete profile, cart conversion, brand entanglement, user support, churn, etc. ...</i>	<i>What would you need to see happen in order to achieve your objective? To make it more predictable? How big is the gap compared with current state?</i>	<i>What actions or activities do you need to activate to make this happen?</i>	<i>What do you need to input into the system? How will mechanics and rules be used to support activities and create data feedback?</i>	<i>What's in it for the user in this scenario? What will they find motivating and valuable?</i>	<i>What configurations are you orchestrating, and in what order? Are media formats being used for the right role in the system?</i>	<i>Define this for the sequence and pace of the planned intervention and supporting activities.</i>

DIRECT MAIL AS A RETENTION CHANNEL

Traditionally, direct mail has been used for acquisition, where it still has a valuable role to play. As expectations and interactions increase, and brand loyalty decreases, retention marketing can't be left to email alone. In a digitally transformed marketplace, integrated data can turn an abandoned cart into a personalized promotional offer in the mail.

"Digital advertising provides value in its own right, but greater value when it's combined and properly sequenced with direct mail." – Elissa Moses, CEO, Ipsos Neuro & Behavioral Science Center of Excellence.

A 2016 neuromarketing study by Ipsos for Canada Post found that adding direct mail to a digital advertising campaign triggers greater consumer attention, emotional engagement and brand recall.

- › Email enforces key marketing messages and promotes recall, helping keep brands top of mind. However, it elicits low levels of motivation [desirability], and over-communication can lead to consumer disengagement.
- › Adding direct mail mitigates email fatigue by improving emotional engagement with messages and offers. It also helps maximize brand recall when used as a followup to email.

A UK market study by the Royal Mail found that adding direct mail to an email campaign produced:

- › 13% increase in website visits
- › 21% increase in purchases
- › 35% increase in coupon redemptions
- › 45% response rate when print is combined with web, email, mobile

Source: Royal Mail IPA Databank

And, in the direct-to-consumer world of online shopping, retention begins on the purchase page. Everything that follows [tracking, delivery, unboxing, returns] should always happen with retention in mind. Think about direct mail as a way to increase the value of engagement and create interventions that decrease churn and increase opportunity:

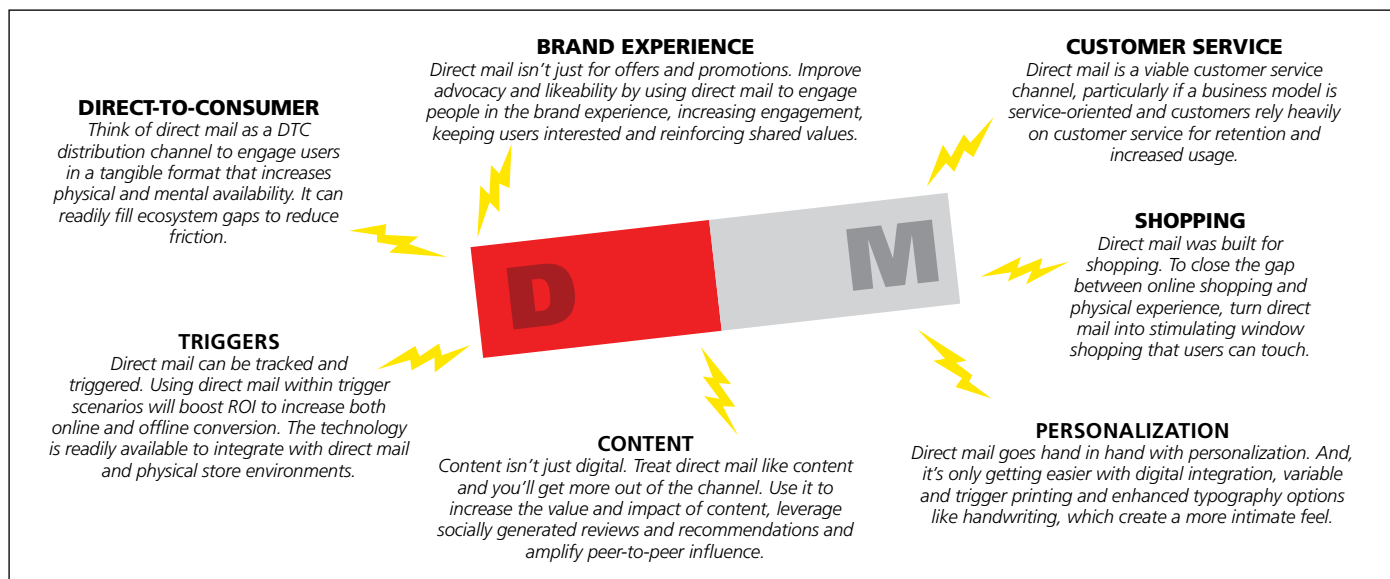
- › Offer postcard triggered by cart abandonment
- › Themed mini-catalogue based on product viewing history
- › Exclusive access invitation to see a new product drop before release

- › Delight buyers with physical brand content that they can share with peers in other channels
- › Create dynamic offers based on website shopping behaviour
- › Onboard new users effectively with welcome packages

HOW DIRECT MAIL SUPPORTS RETENTION

In an increasingly direct-oriented marketing, media and shopping marketplace, direct mail has a native role to play in retention because of its unique combination of physicality, data and connectivity.

- › Physical increases emotional motivation and feelings of being valued.
- › Data enables individual-level personalization and data integration that enhances performance.
- › Connectivity facilitates seamless omni-channel experiences with other marketing and sales channels to drive customer action.



FINGER ON THE TRIGGER

This is one of the most exciting times to be a marketer, as finally the tools exist to distinguish insights about customers out of billions of data points. And when we connect data signals to events – and connect events to the customer path to purchase – we can deliver timely, hyper-personalized, relevant communications to individual customers.

Tina Lavigne Lind, Director of Market Strategy and Innovation at Canada Post, shares her thoughts on personalization and what triggers better results.

You already have the customers you're looking for. You just need to pay attention to their signals. One of the most effective ways to do this is through programmatic mail. It's a way of being responsive to customer behaviour that increases the relevancy and timeliness of communications. An application popularized by digital marketers [think triggered emails and display retargeting], the most popular physical remarketing signals include:

- › transactional information [such as an online or in-store purchase, a cart abandonment or a customer's purchase history]
- › browsing behaviour [websites visited, pages interacted with, content interaction, search]
- › interaction-based data [a call into the call centre, a visit to a branch or content download]
- › personal information [geographic, demographic and preferences]

Programmatic mail combines behaviour-based personalization with speed to market. The combination of timeliness, personalization and a call to action deliver on the hear me, find me, know me and value me premise, and are the critical principles for success.

This technique continues to perform digitally, but there are indications that a digital-only approach to remarketing has its shortcomings as physical and digital channels converge around the consumer. Due to the rise in DTC brands, and an overreliance on email marketing, the ROI of email campaigns has seen a decline in recent years. This is attributed in part to poor execution practices, too much frequency and promotional email crowding.

The result – people are getting conditioned to ignore, opt out, block and unsubscribe.

A multi-channel approach to remarketing that is sensitive to pace and sequence and that better reflects omni-channel interaction presents a great opportunity for direct mail to shine in a growing and crowded market.

BREATHE NEW LIFE INTO YOUR TRIGGER MARKETING

Integrating direct mail into the media mix can breathe new life into your remarketing approach. Recent studies have shown that direct mail has a higher open rate than email, and is remembered for a longer period of time because it's tangible and physically in the home. In today's world, it's something that's becoming more and more uncommon.

Combining these positive attributes of direct mail with trigger-based marketing in an integrated campaign can yield great results for marketers. Advancements in digital-press technology have enabled complex print programming and faster time to market. It means marketers can leverage data today and have a hyper-personalized message in customer mailboxes tomorrow.

A MORE PROFITABLE WAY TO DEPLOY DIRECT MAIL

This moves away from bulk mailings at set times according to an organization's campaign agenda and calendar. Its replacement is a more frequent direct mail deployment in response to a customer signal. According to recent marketing test results, this is proving to be a game changer for direct mail. Canada Post tested Programmatic Smartmail campaigns for Wayfair and results suggested that:

- › Response rates more than double with signal-based direct mail campaigns
- › Likelihood to purchase is higher when the direct mail campaign is delivered within 2-3 days of the signal
- › Response rate and cart value improve when direct mail is used in conjunction with digital and social marketing

This responsive, signal-driven use of direct mail is the new best practice. It not only

takes personalization to the next level, but also increases speed to market. It's a transformational development that enables reach within an active purchase cycle, much like digital and social remarketing. Programmatic Smartmail combines the best of digital and direct mail marketing.

CORE PRINCIPLES OF PROGRAMMATIC MAIL

TIMELY: Deliver content to the customer within their active purchase cycle by syncing with recent behaviour.

PERSONALIZED: Offline remarketing is personalized by its very nature because it is reacting to a specific customer signal. It's important to consider the threshold of intimacy in trigger rules.

CALL TO ACTION: The customer has already expressed interest in a brand, product, service or piece of content through a signal. To capitalize on this, always include a relevant and motivating call to action.

DIRECT MAIL – THE RETENTION PLUG-IN

Direct mail provides the unique combination of physicality, connectivity and data that extends the value of retention efforts.

- › Personalized shopping and offers
- › Deeper brand engagement
- › Increased brand commitment
- › Data enrichment and learning
- › Triggered conversion offers
- › Exclusive experiences
- › Content extension
- › Greater peer-to-peer currency
- › Product and service entanglement
- › Onboarding and high-risk reactivation
- › Subscription upgrades and renewals
- › Customer recognition and delight

WHAT IS PREDICTIVE PROSPECTING?

Customer relationship management [CRM] has become the core of the modern marketing stack. With its origins in B2B marketing, it has evolved to become the finger on the pulse of a much wider range of behaviours that reflect people's interests, preferences, motivations and intentions.

Moving outside the traditional CRM silo, predictive prospecting is creating a wider impact – stepping beyond recording information to mine data as a predictive tool for targeting and retargeting. Using a series of clues, predictive analytics can identify an organization's most valuable customers and jump on that information to nurture brand connections. Leveraging insights from carefully curated data, marketers can prevent customers from taking their business elsewhere – converting solid knowledge into customer lifetime value.

CUSTOMERS OR PROSPECTS?

Retention marketing has traditionally waited patiently at the bottom of the funnel – stepping in once conversion had happened. New paths to purchase have turned that sort of thinking on its head. Now, retention can take centre stage even before a purchase has been made, and marketers need to meet people where they're at in the customer journey. An avid Instagram follower, for example, may already have saved a post or checked out your website without buying anything from you yet. These brand users are prospective buyers who need to be kept close. Engaged audiences drive value, and audience development may soon become more important than counting traffic and impressions. People, not page views, are at the heart of predictive prospecting.

WHY BUY INTO YOUR BRAND?

Predictive prospecting assembles a database of potential shoppers, donors, clients or consumers who look most likely to buy into a brand over time. By using data to

identify conversion triggers and understand what prospects need before they become customers, it's possible to predict the patterns that lead to better returns. The more you get to know the mindset of your brand users, the better you'll be able to predict where your best prospects will be found next.

And, just like that, retention leads to acquisition.

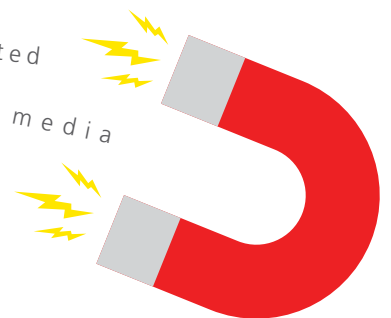
SALES ENABLEMENT STRATEGIES

Predictive prospecting gets marketing and sales talking to each other to amplify opportunities. Using a combination of **discovery engine** [CRM] x **marketing automation** [optimized for data that predicts conversion] x **data feedback** [interactive data to optimize profiles], predictive prospecting leads to precision targeting:

- › Use mirroring models to find look-alike audiences
- › Look for parallel, complementary data to align values and unearth new opportunities
- › Create measured, relevant, personalized, value-based campaigns
- › Take the customer journey from mass personalization to hyper-personalization

LET'S SET THE STAGE

- › Predictive prospecting is only as good as the data it's fed
- › Predictive prospecting requires a customer-centric focus on value
- › Predictive prospecting can be integrated into both digital and physical media



DATAGRAM

DIRECT MAIL WELCOMES MARKETERS TO BETTER RESULTS

RETENTION UPSIDE

Increasing customer retention rates by as little as 5% can increase profits by as much as 95%



Source: DMW Direct

PERSONALIZED ADS INCREASE RETENTION



54%
more engaging



45%
more memorable

Sources: Canada Post/TNS

LIST PERFORMANCE

2x HIGHER
RESPONSE RATE

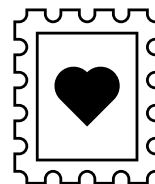
for direct mail house lists compared to prospect lists

9x HIGHER
RESPONSE RATE

for direct mail house lists compared to email house lists

Source: Direct Marketing Association (DMA)

MILLENNIALS X MAILBOX

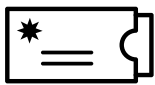


Gets attention more than email
Trust the content more
Provides relevant information
Makes them feel valued

Sources: Canada Post/TNS

FEELING VALUED

Direct mail is the best way to make consumers feel valued.



39% direct mail



28% email



16% social media

Sources: Canada Post/Harris Decima

PHYSICAL AMPLIFICATION



Digital advertising provides value in its own right, but greater value when it's combined and properly sequenced with direct mail.



Source: Elissa Moses, CEO, Ipsos Neuro & Behavioral Science Center of Excellence

PERSONALIZED DIRECT MAIL

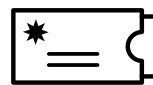


Increases response rates by more than **500%** over non-personalized.¹

Average improvement of **50%** for personalized multi-channel campaigns.²

Sources: ¹Digital Printing Council; ²InfoTrends

PREFERRED RETENTION CHANNELS



Direct Mail



Social Media



Email

Source: Target Marketing



IN THE NEXT ISSUE:

MEASURING WHAT MATTERS

- Simplifying marketing measurement
- New ideas in measurement
- The value of customer experience
- Predictability without sacrificing creativity
- The direct effect on measurement

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cardholder
driver
guest
● **shopper**
subscriber



Welcome to better results with Canada Post Smartmail Marketing™. Using advanced address targeting, we help you refine and focus your direct mail campaigns so you reach the consumers most likely to respond. And it works: **50% of recipients purchased a product within 6 months of receiving a direct mail piece.***

Direct mail is a crucial addition to amplify your marketing efforts, helping you welcome better connection, better response and better results.



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