

**THE YOUTH FACTOR**

Why the most connected generation is embracing DM  
(PAGE 12)

**B2B DIRECT MARKETING**

How they're generating unbelievable ROI  
(PAGE 14)

**ONE : ONE**

WITH KAREN GOLD  
Behind the DM strategy of McDonald's Canada  
(PAGE 20)

# SORTED

**THE MAGAZINE  
FOR DIRECT  
SUCCESS**

## THE GREAT EMAIL VS. DIRECT MAIL DEBATE

MARKETERS DISCOVER EACH MEDIUM  
HAS ITS RIGHTFUL PLACE  
(PAGE 8)





A new decade is upon us, and with that has come a renewed sense of optimism. Marketers may not know exactly what's in store for the economy this year or beyond (we'll leave the predictions to the economists), but many do have a better understanding of how to leverage their media mix to drive greater ROI. That's because—and if there's a silver lining to the recession, this is it—marketers have had to scrutinize and justify every marketing dollar spent.

That has led to some aha moments for many direct marketers. Take the Web, for example. There was a time, not all that long ago, when many companies believed email—and other digital communications like mobile—would mean the end of direct mail. Yet, when we look at what's happening today, nothing could be further from the truth.

As you'll read in our cover story on page 5, companies like Mercedes-Benz and VIA Rail have discovered that each has their rightful place. In some instances, email is, in fact, the right communication tactic, and in others, direct mail (particularly those with a brand building objective). But what has surprised many marketers is that often times they work best in partnership, delivering a much stronger ROI together than they ever could apart.

It is refreshing to see companies take advantage of these new insights. In fact, much of this year's issue of *Sorted* includes articles that will challenge preconceived notions you might have of direct mail. In the following pages, you'll discover that advances in technology have made direct mail creative more engaging by activating our five senses (pg. 11); that young people are actually receptive to receiving direct mail, including that of the unaddressed variety (pg. 12); and, that brands from every segment are using DM to tell a story—a tactic that a company as large as McDonald's Canada is deploying with great success, (pg. 20).

You may also notice something unique about our 2010 issue (a hint: the Forest Stewardship Council label below). For the first time, the issue you're holding in your hands was published on 50% recycled paper.

We hope our strengthened commitment to the environment demonstrates that as responsible direct marketers we can take positive action—without sacrificing the look and feel of the medium.

Finally, once you've read through this issue, I'd encourage you to send us your comments, suggestions and queries to [sorted@canadapost.ca](mailto:sorted@canadapost.ca). Let us know how we can provide you with more useful, actionable content to help you become even better marketers.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurene Cihosky".

Laurene Cihosky  
Senior Vice-President, Direct Marketing  
Advertising & Publishing Business  
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Sorted Magazine is produced on behalf of Canada Post  
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## **SORTED SCOOP (PAGE 4)**

The latest technological advances in DM, from tactile surfaces to fibre optic lights

## **IN THE MAILBOX (PAGE 7)**

The Movie Network goes HD with its latest creative

## **EMAIL VS. DIRECT MAIL (PAGE 8)**

Marketers like Mercedes-Benz and VIA Rail discover the strengths of each medium

## **THE YOUTH MOVEMENT (PAGE 12)**

Canadians 18 to 24 are more receptive to direct mail than you might think

## **THE POWER OF B2B (PAGE 14)**

How companies in the B2B space are generating breakthrough ROI

## **PROFIT FROM BEING GREEN (PAGE 17)**

Plus, how to keep your customer database as "clean" as possible

## **GET HIGHLY TARGETED (PAGE 18)**

*Toronto Star* is among the brands taking advantage of Canada Post's new service, Acquisition Admail

## **ONE : ONE (PAGE 20)**

A Q&A with Karen Gold, national marketing director, McDonald's Canada

**Esquire** launched  
its first ever digital cover  
for a paper magazine—  
technology that could  
be replicated for DM

A hand holds an open issue of Esquire magazine. The left page shows a dark, dynamic scene with a person's arm and the word 'FLEX'. The right page features the iconic 'SPECIAL COLLECTOR'S' Esquire logo, the tagline 'MAN AT HIS BEST', and a large graphic reading 'THE 21ST BEGIN NOW' with a red square containing the Chinese character '美'. A vertical strip on the right page reads '15TH ANNIVERSARY ISSUE ELECTRONIC EDITION'. A barcode and website address 'esquire.com' are visible at the bottom of the right page. The background is a blurred image of a person's head.

# THE LATEST IN DM TECHNOLOGY

FROM SCENT STRIPS TO FIBRE OPTIC LIGHTS,  
THESE POSSIBILITIES TANTALIZE THE SENSES

You want your direct mail to delight, surprise, embolden, illuminate...in effect, you want it to create powerful emotional responses. Well, DM dimensional and technological innovations are getting better and better (i.e., more reliable and affordable) at titillating our five senses. The next time you're dreaming up new creative, consider these cool possibilities, explained by Mike Maguire, CEO of Structural Graphics in Essex, Conn. (Toronto-based licensee is Information Packaging).

### TACTILE SURFACES

The process of attaching tiny particles to adhesive on paper to create a fuzzy peach or gritty sandpaper effect, evoking the sense of touch, has come down in cost. Textured UV, another innovative, cost-friendly surface (compared to varnish and similar coatings) offers a leather feel (think a wallet) or a heavy dense material (think of a basketball). Costs: 15% to 25% over traditional coatings.

### TASTE TECHNOLOGY

Pioneers have applied the Listerine taste strip technology to advertising. You can literally replicate a taste in a DM piece – marketers of grape juice, chocolate bars, and vodka have all done it. Customizing a scent costs more, but there are many affordable basic flavours, to play with (e.g., citrus). Costs vary.

### AUDIO

Advancements here come in the quality of sound. Gone are simply tunes, now you can put a symphony in a letter. Cost has come down slightly, though it is still ringing in at around \$1 per piece.

### SCENT STRIPS

These have come a long way from the ubiquitous, overpowering magazine perfume strips of ol'. Now, affordable technology allows a scent to be trapped until it's activated by recipients. And the aromas are better than ever. Be creative – one car manufacturer used the scent of burning rubber to drive home a car's high-performance engine. Cost: pennies over standard varnishes.

### FLAT SCREEN INLAY

That's right, a mini, lightweight, flexible plastic flat screen (enabled by flat battery technology that won't tear and leak) that's able to illuminate anything you put over it; for example, light up a website or create a billboard effect. You can literally mask out parts of the light and let other parts shine through. Watch for this to become more affordable; it's currently \$2 plus, per piece.

### FIBRE OPTIC LIGHTS

Think starry night. Think Las Vegas billboard. The latest in light technology, fibre optics, makes it possible to create a scene or image in DM with little tiny points of LED light. The lights can be activated when you open the DM or by a switch, and last up to 400 activations. Watch for this to come down in cost (depending on how many lights you use; currently it's upwards \$1 per piece).

### FULL MOTION VIDEO

Technically, you can put a full screen (it's still glass-based unlike the flat screen) with a complete running video in a DM piece, but the technology is a tad bulky and expensive (more than \$10 per unit). That's not stopping marketers – *Entertainment Weekly* used it just this past fall. Price should come down in the next three to four years.



**Wired** magazine used fibre optic lights to capture the attention of potential guests attending conferences in Las Vegas



**Esquire** celebrated its 75th anniversary issue with a digital display on its cover



Honda used a simple pinwheel to make this mailer more interactive



Dimensional mailings, like this one from 3 Musketeers, have made significant advances

# IN THE MAILBOX

**THE MOVIE NETWORK RECRUITS HD SUBSCRIBERS  
WITH INVENTIVE, DIE-CUT MAILER**



Movie enthusiasts love to watch movies—both on the big screen and on the small screen at home. So it's no surprise that there's enormous competition for this market, among services such as The Movie Network (TMN), DVD rental stores, as well as Internet services that rent DVDs.

To gain a competitive edge, The Movie Network decided to create a Spider-Man 3 direct mail campaign, targeted to 80,000 Rogers Cable customers that weren't already TMN subscribers in Ontario and the Atlantic provinces. Rogers Cable customers were ideal potential subscribers as TMN offers its service through Rogers, and there has been tremendous growth in the number of Rogers customers signing up for high-definition (HD).

The challenge was communicating the value of TMN through a print vehicle. It put a strong emphasis on both the selection and quality of the image—they wanted potential subscribers to experience the high-def quality of watching movies on TMN. "We selected a Spider-Man 3 image for our piece because it was a blockbuster hit and customers like watching it on the service. The Spider-Man image also has great visual impact," says Tanuka Roy, affiliate marketing manager of TMN. To make the image as close to the HD experience as possible, it was treated with a varnish, so it would really "pop". When Rogers' customers received the die-cut mailer, they saw only a small window of the image with the tagline "Wanna see more?" By pushing down on the top of the mailer, a hi-def "screen" would pop up showing Peter Parker pulling back his shirt and jacket to reveal a black Spider-Man suit underneath. TMN's special offer was also revealed to the customer: an introductory \$9.99 a month for the first four months for eight movie channels (two HD and one on-demand), hundreds of hit movies and the latest HBO and Showtime series, all uncut and commercial-free. The message emphasized high quality, wide selection, convenience and low-price—all factors important to customers who rent movies.

The campaign proved a big hit. It won a gold award at the 2009 North America PROMAX/BDA Awards, the only competition dedicated to recognizing excellence in marketing, design, and creative content in the entertainment industry. It also generated a good response rate that client Rogers was more than happy with.

**TO MAKE THE IMAGE AS CLOSE TO THE HD EXPERIENCE AS POSSIBLE, IT WAS TREATED WITH A VARNISH, SO IT WOULD REALLY "POP"**

**DM is best for offering customers a tangible experience, says Mercedes-Benz Canada marketer Richard Trevisan**



# **THE GREAT EMAIL VS. DIRECT MAIL DEBATE**

**YOU DON'T HAVE TO PICK ONE OVER THE OTHER. IN FACT,  
SOMETIMES THEY WORK BEST WHEN LEVERAGED TOGETHER**

Was it not Confucius who said, "Wheresoever marketers go, they be faced with difficult media choices. Those who choose wisely, will win over customers..." or something along those lines? Of course, no such ancient proverb exists to provide moral support to marketers staring down the barrels of tight budgets and dwindling new acquisitions. But would it help you to know that, in the words of sage Mercedes-Benz Canada marketer Richard Trevisan, "At the moment, not many companies have the magic touch."

The "magic touch" he's referring to is the ability to choose the right media combination for a marketing strategy, which these days often seems to come down to a showdown between email and direct mail. The former has a reputation for being cheaper, despite the fact its ROI is unproven versus direct mail. According to the latest reports, online media spends are on the incline, even while overall advertising spends are down.

In some cases, email is absolutely the best choice. But common sense tells us that no one solution is perfect most of the time. And fortunately, there are exciting, emerging findings around what works and what doesn't work when it comes to DM and email that marketers can use to make more confident, better informed decisions.

**Mercedes-Benz recently tested email with DM, and was pleasantly surprised by the results**



## HOW TO DECIDE ON THE RIGHT MEDIA MIX

Stephen Brown, senior VP and general manager at Fuse Marketing Group in Toronto (the CRM AOR for Mercedes-Benz), says that there are four key elements to consider when choosing the right media mix.

**The right brand fit.** Weight your media based on how in line it is with your brand/product. A book purchaser on Amazon will be pleased with a \$.18 thank you email. A high-end wine connoisseur will appreciate sitting down with a thick, glossy thank you catalogue because visuals are part of the brand experience.

**The customer's point of view.** "Follow your customer's lead," says Brown, adding that they will tell which ways they prefer to be communicated with, especially when asked.

**The marketing objective.** The goal and size of a marketing campaign will dictate the media choice. "When it's a volume game, use DM to drive to Web."

**The budget mix.** Ideally you can strike a mix of media, but there is a balancing act. "Just remember, you don't have to choose one over the other."

## WHAT WE'VE LEARNED ABOUT EMAIL

Trevisan, national marketing and communications manager at Mercedes-Benz in Toronto, is a big fan of online marketing, including emails, integrated with other mediums. If it weren't for lack of accessibility to quality email addresses—a universal complaint—he'd like to use it more at the luxury car manufacturer. "It's a flexible tool that allows for rapid communication of new messages."

In the rush to test email for marketing in the past several years, organizations have learned that it is ideal for instant communication of brief messages, sales confirmations and as a response mechanism for consumers. Guy Stevenson, managing director at OgilvyOne in Toronto, points out that in the last three years, they've witnessed online responses jump to 60% from 10% to 15%. "There's a desire for immediacy," he explains. "Consumers don't want to mail back to and wait for something. They want it now."

Two major factors are holding email back (particularly as an acquisition tool), however. For starters, there is the mad dash to the inbox. "Inboxes are oversaturated," explains Angele Levesque, VP, managing director for Rivet Canada and Draftfcb Healthcare in Toronto. "Think about how many emails you get personally, or at work. It doesn't have the same impact as something coming to your mailbox."

Research by TNS shows that 75% of consumers receive email advertising at least once a week, versus 22% of consumers who receive physical mail advertising. The same research shows that email goes unread—almost 60% of participants say they leave advertising emails dormant or unchecked. Levesque contends that breaking through the clutter with email is an even

bigger challenge in business-to-business (B2B) marketing. "The last thing a busy executive has time for is another email."

The second hurdle for email is quality email addresses. A study conducted by Return Path of 500,000 commercial permission-based email ads sent out in 2009 in North America found that they reached only 80% of inboxes; 3.3% were routed to "junk" folders; and a whopping 17.4% were not delivered at all (with no bounce back messages or notification of delivery failure). This mysterious lack of reach can hurt a campaign's return on investment (ROI).

"Over the last five years, email has been tested and retested for acquisition and a lot of clients have found the quality of the lists, costs of the lists, response rates and lead qualities to be not as effective as with DM," explains Angele Levesque. "There's this love affair with email because it is cheap. Marketers are searching for a decent marketing strategy that is cost effective. But when one does an analysis of what email is delivering in terms of sales and ROI, and compares it against DM, the challenge reveals itself."

For these reasons, she adds, more and more email is being used for customer relationship management, where there is an established relationship. That being said, marketers are still limited to permission-based email addresses. This is why we can expect to see a big push from marketers for customers' @-deets in the future, adds Stevenson. Indeed, attaining more email addresses is an important goal at Mercedes-Benz, and Trevisan's using DM to do it. In fact, he and other marketers are learning that email and DM together can produce surprising results.

DM proved an effective way for VIA Rail to stimulate demand for summer travel



**ACCORDING TO A CANADA POST STUDY, CAPITALIZING THE BEST OF BOTH TOOLS, IN THE RIGHT CIRCUMSTANCES, CAN ATTAIN A 300% LIFT IN PURCHASING ACTIVITY**



A recent DM piece about a high performance AMG brand encouraged recipients to register on a website to receive additional info via DM



## FINDING GREATER LIFT TOGETHER

DM has played second fiddle to email in recent years and the consequence is empty mailboxes. When the same TNS study participants were asked about how they treat DM, 40% said that they opened them all the time, 27% said they opened them occasionally, while only 33% said they never open them. DM is tangible, and, when done right, makes a lasting impression. Trevisan points out that DM is ideal for promoting the Mercedes-Benz brand.

"There's more real estate and it has more perceived value, especially when it comes to random acts of kindness." For example, Mercedes-Benz sends new customers a luxurious coffee table.

When Mercedes-Benz recently experimented with email and DM, it was pleasantly surprised with the results. A DM piece about a high performance AMG brand encouraged existing customers to register on a website to receive additional information via DM. "We got a 20% response rate," says Trevisan, who adds that scooping up permission-based emails from existing customers was a major bonus.

DM is a non-intrusive channel that appeals to consumers' five senses (see sidebar), evoking emotional reactions that drive purchase behaviours, explains Nadia Fiore, former marketing manager at Canada Post. "When you think about the consumer, it makes a lot of sense," says Fiore. "When they receive a direct mail piece and then a similar promotional email message or vice versa, the recall component comes into play. That recall is very influential in terms of purchasing behaviour." According to a 2009 Canada Post study, capitalizing the best of both tools, in the right circumstances, can attain a 300% lift in purchasing intent. This finding is supported

by a 2008 Belgium post office survey that showed combined email and DM lifted purchasing activity by 255%, and reduced cost per response by 25%.

A case study at VIA Rail also backs these findings. VIA Rail decided to test DM against email (which it relied heavily on) as well as the two combined to stimulate the demand for summer travel by presenting vacationers with a unique opportunity to discover Canada's West and East coasts by train. In current customers, DM-only sales outperformed email-only sales by 30 to 1. And when email followed DM, sales outperformed email-only by 14 to 1. Exploring DM elicited a few more pleasant surprises for VIA, says Diane Langevin, senior manager, advertising and promotions. "When we analyzed the results, we were surprised to discover that VIA is popular with profile groups that we don't typically try to reach." They incorporated this learning into future campaigns.

Combining email and DM gets better results in the B2B arena, as well, according to OgilvyOne's Stevenson. "It has a halo effect on email. DM is tangible and it can quickly raise the core value proposition to make one more predisposed to email, which makes quick click-through responses more likely." Stevenson adds that permission-based email prospects are incredible catches. "If someone gives you their email at an early stage in the prospecting relationship, their close rate increases by up to 45%. This is because giving you an email address is a careful consideration, it's a value exchange."

Fiore points out that it's important to keep in mind that consumers prefer to receive certain types of message one way or the other. For example, evidence shows that email is preferred for invitation to

a webinar, newsletters and confirmation of purchases, while addressed mail is preferred to communicate special offers, information about new products, while also building customer relationships and strengthening your brand. And therein lies the fundamental fact to keep in mind when choosing the right media, for the right consumer, at the right time. "What's the number one mega trend we've seen the last five years?" asks Stevenson.

"The consumer is in control." They want a level of customized control, such as the choice between receiving a personalized paper communication in the mail or a digital file delivered through email, based on their preferences. So at the end of the day, reaching your consumer still involves a basic rule of thumb it would appear... (was it Plato who said it best?) "Know thy customer."

# CREATIVE BEST PRACTICES

When it comes to direct mail, there are basic principles and techniques to keep in mind that will help you deliver better results. The Canadian Marketing Association has developed a list of "best practices" (and we added one) that can help your direct mail stand out.

## Personalization

**Correspondence addressed to "occupant" is unlikely to engage a potential customer in the same way that seeing their name incorporated into the creative is.**

## Size

**Forget what they say: often bigger IS better. Consumers receive an awful lot of marketing material in standard packages, the majority of which may be ignored or overlooked. Oversized mailers can increase your material's chances of getting noticed.**

## Consistency

**Ensure that your creative concept is consistent throughout the entire package.**

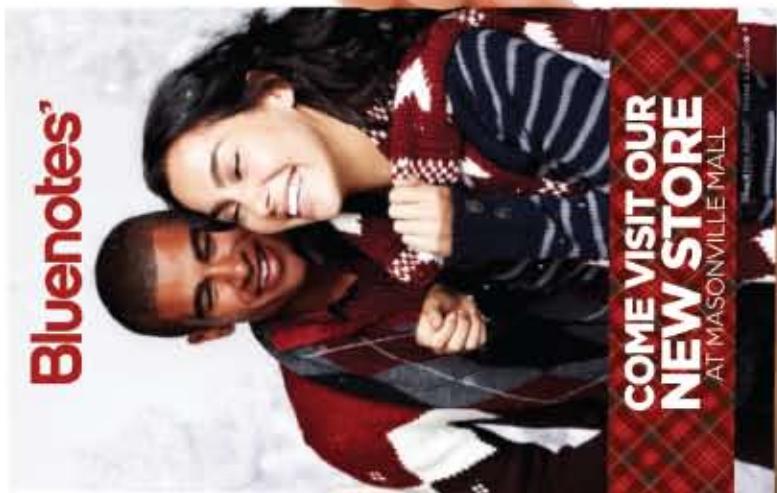
## Relevance

**If the message you're sending isn't important or relevant to your target, guess what? It likely won't get read.**

## Touch and Feel

**Connect with your customers by stimulating their senses. Incorporating unusual shape, design or smell into your creative can capture attention, and encourage a connection with your product and your brand. Make effective use of this distinct advantage and you will see better returns.**

Bluenotes created 17,000 unaddressed postcards to drive young people to new stores



# THE YOUTH FACTOR

**CANADIANS 18 TO 24 ARE MORE RECEPTIVE TO DM THAN YOU MIGHT THINK**

Frank Valeriani, director of marketing at Toronto-based Bluenotes, is hoping his target market will think getting a piece of mail is pretty cool. The denim retailer's main customers are young Canadians age 18 to 24, though the stylish, affordable brand is aspirational to a broader market. He's testing direct mail, despite the hype around youths' obsession with the Internet. He could be in for a pleasant surprise.

Contrary to popular belief, Canadian youth (defined roughly from age 14 to 34) do like to receive direct mail under certain conditions, according to Mike D'Abromo, director, research & strategy at Toronto-based Youthography, which conducted a study on the effectiveness of direct mail and youth for Canada Post.

"The fact that they open direct mail personally addressed to them isn't all that surprising," D'Abromo points out that generally youth feel the same way adults do about direct mail (positive when the creative and the offer are on target)—with one exception. "The thing that got me was the enthusiasm they have for a parcel in the mail. They are really excited to see it."

In fact, youth reported opening and reading mail addressed to them personally 87% of the time, slightly higher than a bill statement or even a postcard from a friend. They also reported opening and reading a letter or package from a company they know or like 72% of the time on both counts. And a whopping 41% reported responding to an offer.

"Most people who dismiss direct mail for youth are focusing on social networking or email. There's nothing wrong with those tools," says D'Abromo. "But when mail fits your brand and suits your business goals, it can be an important role in an overall youth marketing strategy." This is especially true when the mail is addressed to them personally and they know who you are, according to the study findings. And when it is not, marketers can expect the best results when they mail to youth who have a relationship with them.

Why the excitement around mail? Because young people don't get a lot of it, explains D'Abromo. About half of respondents reported receiving less than 10 pieces of mail per week, whereas they reported being overwhelmed with advertising from other avenues.

Of the types of advertising youth disliked the most, mail ranked sixth at 47%, well behind video Web ads (57%), email (58%), floating Web ads (66%), text messaging (68%) and the No. 1 reviled channel—telemarketing (77%). "So when they get something unusual and unexpected in the mail, it stands out that much more," adds D'Abromo. Everything is available to young people all of the time today. "So rewarding them in a new or different way that makes them feel special really resonates with them."

Valeriani's counting on this demographic insight, though results were not available before *Sorted* went to press. Bluenotes' 17,000 unaddressed postcards (created internally, and targeted using Canada Post's GeoSpatial Profile Analysis which enables

the identification of the highest demographic prospects within a target area) are designed to drive youth to a new Bluenotes location where they can redeem the discount coupon on the postcard reverse.

Bluenotes' overarching brand messaging is about tapping into customers' emotional connection to their jeans, which often occurs during certain life stages. For example, one mass media tag line is, "I turned my tips into tuition in these jeans."

According to Scott Beffort, lead strategist of DECODE, a Toronto-based research, strategy and innovation firm that focuses exclusively on youth, young adults and young families, targeting direct mail to a life stage is one of the three considerations when targeting youth with mail.

Beffort explains that assessing prospects by life stages produces key insights to help marketers tailor strategy and creative appropriately. "The things we understand about students versus young independents (see 'What do youth value?' sidebar), have implications for how engaged they will be with advertising. Marketers need to understand the differences, and determine the implications for their direct mail programs."

The second consideration in the world of mail is to ensure there is an experience, offer or purpose outside of the piece, says Beffort. "Youth today are incredibly skeptical," he explains. "They only really know an environment saturated with information. So, if you've caught their attention in one space, they're bound to look elsewhere (and across all channels) for other points of view. To achieve credibility, direct mail marketers need to ensure that the experience, offer or purpose of the piece doesn't end at the piece—it needs to be supported in other channels."

Finally, the concept of targeting "influencers" is an opportunity worth considering in a direct mail strategy. "I'm not sure anyone would stand in a room full of mailers and say

that young people are the sweet spot to all kinds of success. One thing I am comfortable saying is that influencers are as important as they ever have been." Beffort says that changing a direct mail message slightly to reach influencers (including teachers, professors, older siblings and older friends) who contribute to young people's choices "can be a powerful opportunity."

For now, Valeriani is hoping that the direct mail test surprises him. "I am keeping an open mind. I love direct mail and I know it works when I watch my kids, who are 14 and 17, open up a piece that captures their interest." If direct mail is successful for Bluenotes, he adds that it will be another valuable marketing channel that the retailer can leverage in its overall marketing mix to connect and create a relationship with youth.



## WHAT DO YOUTH VALUE?

Scott Beffort, lead strategist of DECODE, explains a few of the differences in values between students and young independents (those out of school and still single), based on DECODE research.

**Look beyond the surface. Although the top three interests are the same for students, young independents and young families' interests vary greatly.**

**Don't assume. Gen Y may not be as active in social networks as you think – 35% of Gen Y have less than 10 online friends.**

**Consider engagement. Young independents are less engaged as citizens than students and young families.**

Sound studio Griffiths Gibson and Ramsay targeted 100 creative directors with this DM creative that can actually be "played"



# B2B MARKETERS GENERATE BIG RESULTS

THESE THREE B2B MARKETERS HAVE SUCCESSFULLY  
BUILT THEIR BUSINESSES – THANKS TO RESPONSE  
RATES THAT REACHED AS HIGH AS 53%  
(THAT'S NOT A TYPO)!

## GRIFFITHS GIBSON AND RAMSAY SOUND BRINGS LIFE TO DM PIECE

Vancouver-based sound studio Griffiths' Gibson and Ramsay Productions had a hit on its hands with a direct mail promotional piece that it carefully targeted to 100 creative directors in Canada and the U.S. in April 2009.

Grey Vancouver created a portable record player from corrugated cardboard that folds into an envelope and is played with a pencil. The vibrations go through the needle and produce a clear recording of a children's story called "A town that found its sound."

"We wanted to remind creative directors that already knew us that we were out here, and try to get others to check out our new website," explains Meg Griffiths, GGRP account manager.

Geoff Dawson, associate director at Grey, hit on the idea while creating a website and new brand identity for GGRP. "There are a lot of parallels between GGRP and vinyl," says Dawson. "They both have this really strong history, both are enjoying resurgence in popularity and they both are really representative of a true creativity in sound."

**"IT'S WITHOUT A DOUBT THE MOST INTERESTING OR INNOVATIVE OR CREATIVE DIRECT MAIL PIECE THAT'S EVER COME ACROSS THEIR DESK"**

**-GORD LORD, PARTNER,  
GRIFFITHS GIBSON AND RAMSAY  
PRODUCTIONS**

Because creative directors are used to evaluating ads on a daily basis, Dawson wanted to give them something that they could interact and engage with, and at the same time direct them to the website. "That's why hard copy and direct mail just made sense," he says. "We know creative directors want to partner with people who have the capability and understanding to make their ideas better and when you see something like this it just shows that GGRP gets it. They know how to be engaging, they know how to break through clutter and they know how to have as much fun as possible."

Gord Lord, partner at GGRP, admits that at around \$60 a unit it was an expensive promotional piece, but believes it will be easily worth it in future business. "So many people say that they have so much direct mail and most say they don't bother opening," says Lord. "We've had so many comments that it's without a doubt the most interesting or innovative or creative direct mail piece that's ever come across their desk."

In fact, the direct mail piece hit the target so well that a large majority of recipients called GGRP to comment or ask for extra copies to take home to their kids. Lord is now looking at a second run targeting creative directors in the U.S.

## SENSE OF "EXCLUSIVITY" HELPS DRIVE INCREDIBLE SALES SPIKE FOR SYNGENTA CROP PROTECTION CANADA

Syngenta Crop Protection Canada may have developed a breakthrough new herbicide offering greater crop safety and flexibility, but it knew the product launch wouldn't be easy, given the already crowded marketplace.

Syngenta's marketing execs—Rob Milliken, marketing communication manager, and Tracy Clark, marketing communication specialist, both based in the Calgary office—decided to partner with ad agency Bos and position the new herbicide, Axial, as a premium product over a multi-year marketing campaign.

Syngenta targeted 6,000 growers over a three-year period with direct mail. In 2008, Syngenta sent an invitation to 1,500 Western Canadian growers to become ambassadors of the No Compromise Club. "We had to come up with a package that would be guaranteed to be opened, something that would not be thrown away," says Sasha Volkau, group account director, Bos Toronto.

Because the supply of Axial was limited, the direct mail offer came with an offer to purchase a limited amount of Axial product and a leather wallet with a "members only" code, which they could enter at nocompromisoclub.ca. From there they could select a gift of their choice from a range of items commonly found at a gentleman's club, such as business card holders, desk mats and a leather-bound poker set.

"We wanted to create a reason for our customers to want to associate themselves with our brand, so we created this kind of exclusive club," says Clark. "By sending them direct mail we wanted to remind them of the positive experience that they had with the product and also encourage them to become or remain members of this club that uses the best product."

Clark says the sizable budget included the direct mail and all the promotional products supported by a full multimedia ad campaign, as well as sales calls to farmers.

The resulting campaign garnered an incredible 53% response rate, exceeding expectations by 200%. Sales increased by an even more impressive 330% versus the year prior, and the demand created from the awareness campaign resulted in early bookings. As a result, Axial sold out within weeks.

A third and slightly refined direct mail campaign continued in 2009, and next year the plan is to move to mass media advertising, says Milliken. "By targeting the most progressive and the most respected growers with this direct mail offer, we managed to create converts who spread the word and the product became popular and somewhat of an exclusive product for those in the know," says Milliken. "That drove up demand and made it possible for the product to go mass in year four of its life cycle."



Syngenta targeted 1,500 farmers with a DM piece that invited them to become "ambassadors" of its new Axial product

## TOTAL GRAPHICS

### Total Graphics turns customers into iconic movie characters

Total Graphics, a Vancouver-based printing and imaging company, recently purchased an HP Indigo digital press that allows clients to benefit from personalized variable data printing. Text, graphics and images are varied from one customer to the next in order to produce customized marketing material.

In order to showcase some of the press's capabilities, Jeff Mesina, manager, integrated digital solutions, hired Hot Tomali of Vancouver to devise a direct mail campaign that would create awareness among about 500 CEOs and senior executives in the Vancouver area (the list was developed in-house).

"We figured that we had to push the bar a little, otherwise you are just showing people the same thing they've already seen," says Thomas Stringham, president at Hot Tomali.

Stringham settled on a campaign based around a movie theme. Mesina then identified the company's target customers and sent them a Marquee postcard inviting customers to visit a personalized URL and enter a draw for a chance to win a Blue-ray disc player. Once there, they gave contact information and were also asked a series of questions selected to gather personal traits, including the type of movie that they liked.

At that stage, says Mesina, it's no longer a cold call. "It's a warm lead because for someone to take the time to fill out that information means they are interested and are giving you the green light to contact them further," he says.

Those who failed to respond to the first direct mail piece received another card with the kissing scene from *Gone with the Wind* and more emphasis on the contest.

Everyone who signed on to the URL then received one of eight possible movie posters, customized with their own names in the starring role and colour selected by gender. "You can send somebody a custom poster, but if they don't know there are other variations of it out there then they are not necessarily going to know that you have done anything interesting," says Stringham. "We wanted to come up with imagery that was kind of iconic, so we used a Mary Poppins poster and a 1950s Sci-fi movie poster so it was obvious that people would look at it and realize that it had been manipulated."

In fact, Mesina says the response rate of 12% was double what they had anticipated. "At the end of the day it did create a buzz," says Mesina.

### THE RESPONSE RATE OF 12% WAS DOUBLE WHAT THEY HAD ANTICIPATED

## FOLLOW THESE TIPS TO MAXIMIZE YOUR B2B DIRECT MARKETING SPEND

### TARGET, TARGET, AND TARGET AGAIN

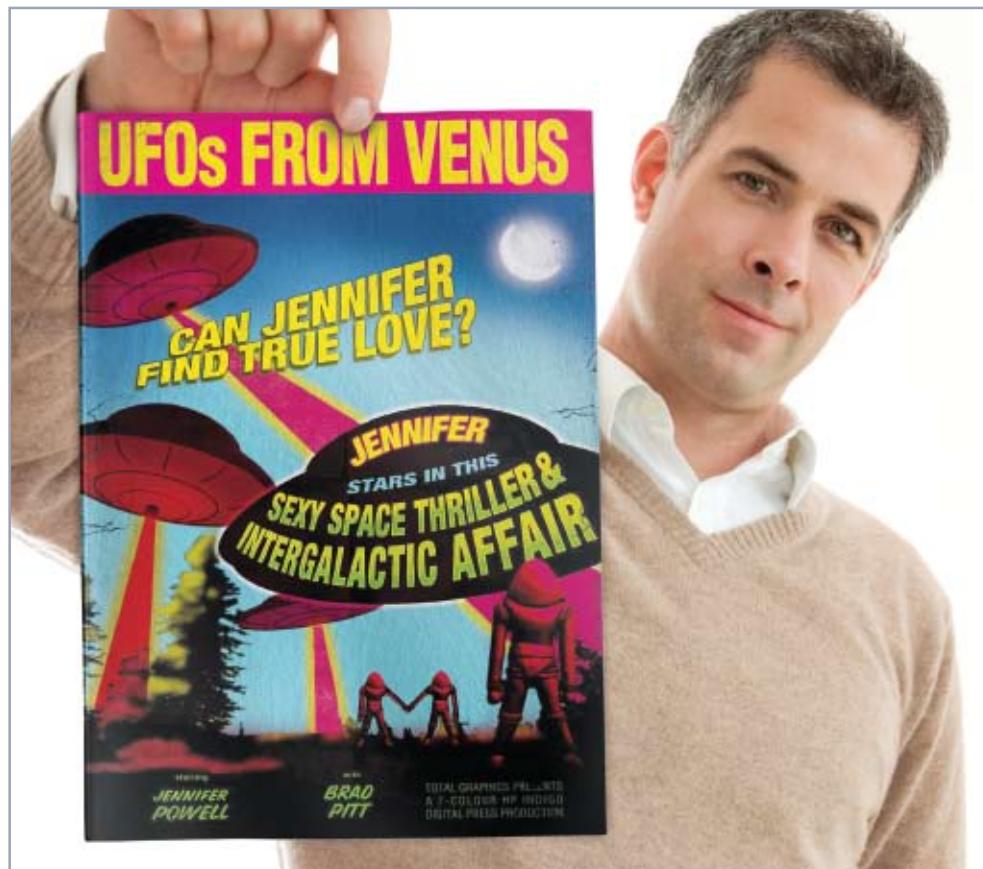
"Don't be afraid to highly target and highly segment," says Syngenta's Rob Milliken. "People like to feel special."

### CAPTURE THE PERSONALITY OF YOUR TARGET

"A lot of B2B direct mail doesn't even make it past the receptionist because it's so generic," says Thomas Stringham of Hot Tomali. "Personalized content helps make sure it gets to the right stakeholder."

### LEVERAGE YOUR DATABASES

Many companies collect information on their clients, but they don't utilize it. "You have all this information already—spending habits of your clients, when they last bought, what they bought and the value," says Total Graphics' Jeff Mesina. Leverage that data.



# PROFIT FROM BEING GREEN

Being green ought to be synonymous with being efficient. After all, we're talking about finding ways to produce less waste. Instead, we tend to think "added cost" and "extra work." Would it surprise you to know that the one activity that can save you marketing dollars—and boost your bottom line—is very green in nature? We're talking about good data hygiene practices. Here's another surprise. Chances are, even if you've got a good system in place, there are strategies you can use to make it even better. According to a 2008 study of 600 marketers by Canada Post, most businesses believe their mail files exceed the standard of 95% accuracy. And yet, the majority, 74%, admit that they do not measure undeliverable mail at all, and 69% were unable to estimate the financial impact. How could they know how clean their data is if they are not measuring it?

"The biggest surprise to us was that people are not using standard hygiene practices on a regular basis," says Alexis Zamkow, General Manager, Direct Marketing Data Products and Services, Canada Post in Toronto. "People have not made the connection that doing this actually saves money in the long run." Too often, list accuracy and maintenance is not perceived as a marketer's responsibility, however, list cleanliness is actually a tool for marketers to drive better business results, she adds. In Canada, about 140 million addressed mail pieces do not make it to the intended recipient every year. The environmental waste and impact on marketers' businesses is enormous, explains Zamkow. We're talking lost sales, lost chances to retain customers, lost billing interactions, all of which impact return on investment (ROI). There is also an annoyance factor — people associate incorrectly addressed mail with the brand.

"All of this impact could be reduced tremendously if companies used even basic data hygiene practices," adds Zamkow (see "Top 15 data hygiene best practices" below). Clean and well-maintained data leads to improved ROI. "The bottom line," adds Zamkow, "is that by being green you can be more profitable."

**ONLY 14% OF MARKETERS HAVE EVER USED AN ADDRESS CORRECTION SERVICE, AND ONLY 16% HAVE USED A CHANGE OF ADDRESS SERVICE. ALMOST 70% OF ALL UNDELIVERABLE MAIL IS THE RESULT OF PEOPLE MOVING**

## TOP 15 DATA HYGIENE BEST PRACTICES

Help reduce your impact on the environment and improve the bottom line with these best practices, provided by Canada Post.

### DATA MANAGEMENT

1. Clean your internal database regularly for incorrect or missing fields.
2. Validate address accuracy when entering customer information into your system.
3. Update address information at each customer touch point.
4. Make it easy for customers to update you when they move.
5. Create in-house preference and suppression files.

### DATA HYGIENE

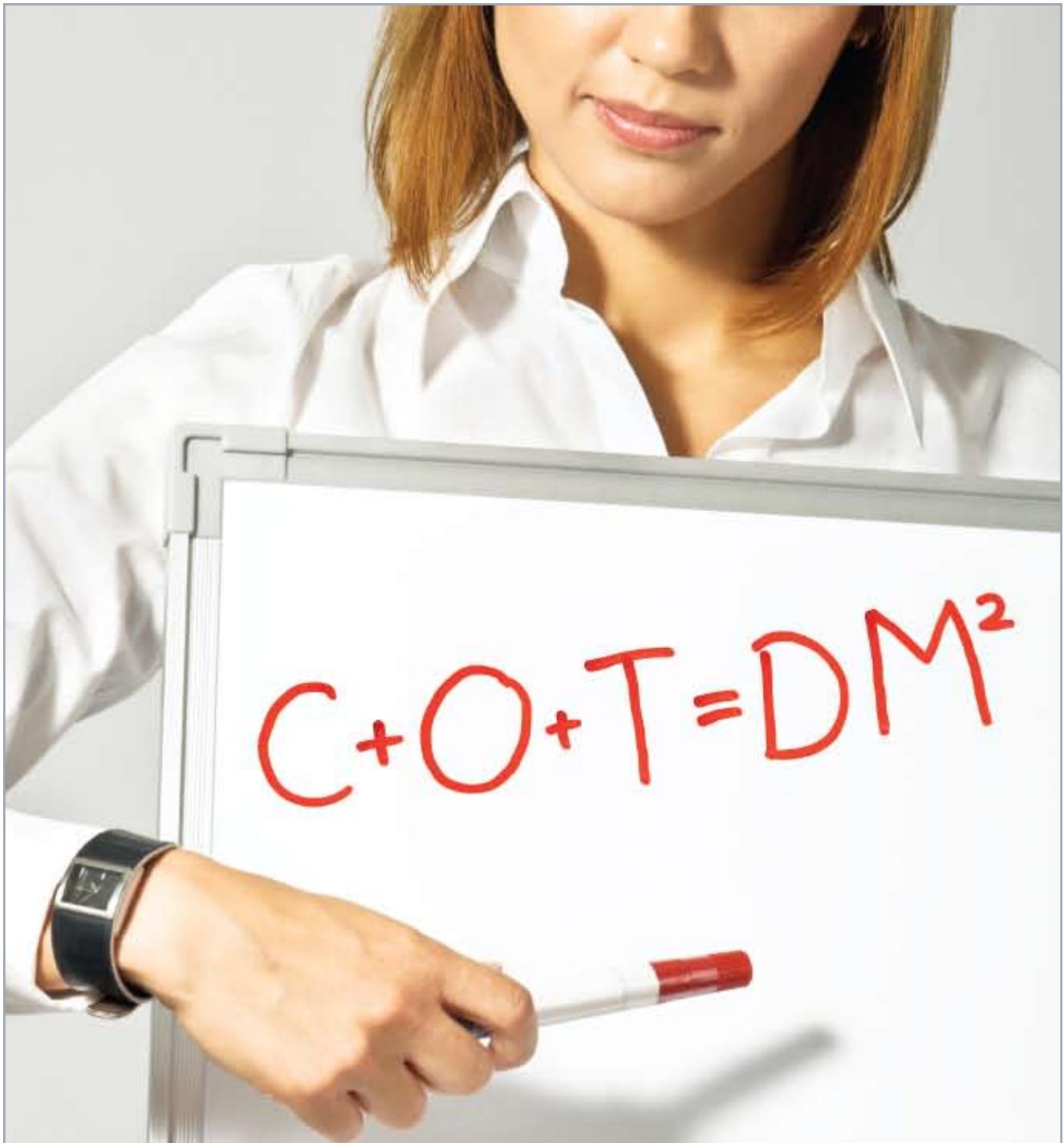
6. Use certified address accuracy software with each mailing.
7. Apply merge/purge rules to reduce duplicates.
8. Use the CMA "Do Not Mail" file and internal suppression files.
9. Apply the National Change of Address (NCOA) file to update movers.
10. Use Return Postage Guaranteed as part of a regular data cleansing program.

### TARGETING

11. Be as refined as possible in audience selection to ensure that your mailing is relevant to the recipient.
12. Before renting an external list, make sure you know when it was updated.

### DESIGN AND PRODUCTION

13. Use paper from responsibly-managed forests and verified sources.
14. Use pieces designed for maximum paper coverage and minimum ink.
15. Use production methods that reduce print overruns and waste allowance.



# GET HIGHLY TARGETED

WITH CANADA POST'S NEW ACQUISITION ADMAIL SERVICE,  
CLIENTS LIKE THE TORONTO STAR ARE SEEING BETTER RETURNS

C + O + T = DM<sup>2</sup>. This fundamental marketing equation is not rocket science. Great creative (C) plus a mind-blowing offer (O) and a solid target (T) will produce great direct mail (DM).

Unlike in Einstein's famous equation E=MC<sup>2</sup>, however, the conversion factor here is the quality of T. When you don't get DM<sup>2</sup>, you're more likely than not to find errors in your T calculations. In other words, how good is your target information?

Obtaining quality target information is a major challenge in unaddressed acquisition mailings—until now. Canada Post's new Acquisition Admail™ service offers a better way to boost the quality of your targets. The list service (a first for the national mail carrier) enables cost effective and accurate targeting of prospects at the postal code level, with the added benefit of excluding current customers from acquisition mailings. "It's not a panacea for direct marketers. But it's definitely a solution to the problem of poor quality prospecting lists on the market today," says Christine Timbers, director, product innovation at Canada Post in Ottawa.

Canada Post's address database is capable of producing multiple new prospect addresses at the LDU level (last three digits of the postal code) for every targeted postal code. It also eliminates overlap with existing customers, and enables targeting at multi-unit buildings. Marketers can either provide target postal codes, or Canada Post can help identify the best potential customer matches based on household characteristics using geographic, demographic or psychographic filters. Marketers have the flexibility of determining a custom greeting such as "Occupant" or "Pizza Lover." After running countless customer pilots testing the list of 12 million urban addresses across Canada, Canada Post confirmed that all factors being

equal, semi-addressed mail produces better results and ROI than unaddressed prospecting.

Jeff Ankenmann, regional marketing manager at GreenLawn Canada, says he was more skeptical than optimistic about testing the service. The seasonal firm lost about 45% of its prospects with the "Do Not Call" list in 2008, and is up against pesticide by-laws in various provinces. Canada Post created a 50,000-strong direct mail list by targeting households directly around existing GreenLawn customers in Ontario and Quebec.

Clever creative played off a competitive neighbour theme: "If we want a lawn like that, we better call GreenLawn." The result? They yielded a higher response rate and higher buy rate than the 50,000 pieces sent using GreenLawn's traditional list approach. The service was also cost-effective because the company did not need to analyze data and create its own lists. "This campaign proved that a lot of my existing theories on direct mail were outdated. That's why testing is always an important opportunity," says Ankenmann.

Montreal's Welcome Hall Mission knows all too well the concern around non-profit list fatigue. With more than 80,000 registered charities in Canada the competition is stiff, and the emergency shelter's direct mail campaigns were increasingly less effective. Working from a list of the charity's regular donors, Acquisition Admail identified 40,000 new qualified prospects in the same neighbourhoods. Duplicates were deleted after being compared against the Mission's master list.

"There is definitely value in the size and quality of our list. But there is also tremendous value in being able to exclude current customers," says Timbers. She explains that the goal of a prospecting campaign is to expand the customer base, not to end up offering discounts to current customers (which may result

when unaddressed mail ends up at their doorstep and they call in for the discount). Welcome Hall Mission's pilot generated impressive results. According to Anne Cattaruzza, communications coordinator at the charity, the response rate was 1.89%, and the ROI 100%—exceptionally high for an acquisition campaign by a charity. *Toronto Star* benefited from the service's ability to target in multi-dwelling units. The newspaper wanted to target residents in apartment buildings with a special 13-week trial subscription offer. "One thing that had been missing from our data was accurate unit counts for buildings," says Nadine Chevallou, manager, consumer marketing group, *Toronto Star*.



**With Canada Post's Acquisition Admail service, GreenLawn yielded a higher response rate than normal**



**Montreal-based non-profit Welcome Hall Mission generated a 100% ROI for this prospecting campaign**

Mailers, like the one below,  
yield tremendous sales,  
guest counts and  
cash flow



# ONE : ONE WITH KAREN GOLD

**NATIONAL MARKETING DIRECTOR,  
McDONALD'S CANADA**

Since September 2008, Karen Gold has led marketing at McDonald's Canada, which has bucked the trend during the recession by outperforming most of its rivals. Gold joined the quick-service restaurant chain from Second Cup, where as VP of marketing she successfully grew the coffee retailer to record levels of sustained same store sales gains. Before that, she had a successful career in packaged goods, including at Kraft, Unilever and PepsiCo. Here, she reveals to Sorted why DM is one of the biggest sales drivers for McDonald's Canada, and how she's looking to further boost the ROI of its direct initiatives.



## HOW DOES DIRECT FIT INTO THE OVERALL MARKETING PLAN FOR McDONALD'S CANADA?

**It plays a huge part of our marketing plan. We do three mass mailers a year to every household in Canada. We have seen tremendous sales, guest counts and cash flow impact with those mailers. In 2009, we only ran two mailers and the business felt it, so obviously DM plays a big part in our overall strategy and plan.**

## WHY IS IT SO EFFECTIVE?

I think because we have built up equity with consumers. They look forward to receiving the mailer because of the fantastic deals and the fact that they basically get a discount on all of their favourite sandwiches. The mailer is something that everyone can take advantage of because we are so accessible and have so many stores. I think it also works because it is so predictable, and our customers have come to expect it. It is like the Loblaw's President's Choice Insider's Report, where you look forward to it every December, or the Milk Calendar, for example. These are things that have equity with consumers and offer great value. And with the McDonald's mailers, as soon as people get them we start to see coupons flying into the restaurants for redemption.

## HOW DO YOU TRY AND TOP THE SUCCESS OF EACH MAILER?

I am always worried we're not going to be able to top what we did the previous year. The other complicating factor is that all of our initiatives have to be voted in by our franchisees. So as marketers, we just can't say 'We're going to do this, or do that.' What we've tried to do, to make it more of a value-add for the consumer, is introduce story telling into the mailer. So rather than being more of a typical retail 'Buy Now and Save' message, we've tried to tell more stories about our products and how they fit into the lives of consumers. As a result of that, our last two mailers have been the most successful ever. We ran a salad mailer in June, where we were able to romance and tell the stories about our salads. And we ran a back-to-school mailer in September, which had our highest lift ever because we were able to show how our products fit into people's busy lives. We gave ideas for snacks, dinners and kids' favourites.

## WHO DO YOU PARTNER WITH IN TERMS OF DM EXECUTION?

We work with Canada Post, as well as our advertising agency Cossette Inc. and a company called PGE, which functions as our logistics manager. We come out with about five to eight versions of the mailer based on the region. Certain regions may want to include some coupons that other regions don't want to include. And obviously, the Quebec piece is in French. So PGE helps us map out all the different configurations and versions of the mailer, and make sure they get distributed properly from the printers to Canada Post. And then Canada Post takes it from there.

## HOW DO YOU MEASURE ROI?

The restaurants take in the coupons and show the discount, so when we get our data, all we're really looking at is our top line and bottom line. But put it this way: They are our highest sales driver. You have to keep doing it, because you'll never be able to do anything as impactful.

## WHAT IS AHEAD FOR DIRECT?

We are constantly learning—like the role of social media, and trying to understand that and tap into it in a meaningful way. It is not so easy for QSR, compared to other businesses that lend themselves more to social media such as fashion and personal care items. People are not as interested in reading about the story of the Big Mac; they really want the deal. We're learning constantly how to bring our product information to consumers in the way they want to receive it.



# DIRECT MAIL DELIVERS BIG TIME RETURNS.

**ALTHOUGH MANY MARKETERS ARE GETTING GREAT RESULTS FROM EMAIL AND OTHER NEW MEDIA, DIRECT MAIL IS STILL AN INTEGRAL PART OF A SUCCESSFUL MULTI-CHANNEL MARKETING STRATEGY. CONSIDER JUST SOME OF THE ADVANTAGES OF USING DIRECT MAIL AS PART OF YOUR MARKETING MIX:**

- Direct mail is three times more likely to be opened than promotional email\*.
- Prospects are 33% less likely to discard direct mail before they open it compared to promotional email, text messages or social media\*.
- Direct mail offers marketers more immediately visible “real estate” to tell a story and overcome a prospect’s objections.
- When marketers combine direct mail with even one additional medium such as email, purchase intent increases by as much as 300%\*.
- Direct mail can bring a brand to life through a tactile, 3-dimensional customer experience.
- Because of its measurability, marketers can easily determine the return on investment of a direct mail campaign.

## FIND OUT MORE.

Call **1 866 747-3880** to speak to a Direct Marketing Specialist  
or visit **canadapost.ca/sorted**

\*From P loves E Study, CP 09-205. October 2009

# CANADA POST INTRODUCES TWO NEW TARGETED MAILING LISTS.

CANADA POST HAS TWO NEW TOOLS THAT CAN HELP YOUR MARKETING DOLLARS WORK HARDER TO DELIVER A MORE ROBUST RETURN.



## ACQUISITION ADMAIL:

**Your best customers can lead you to new customers.**

Acquisition Admail allows you to target the addresses next to your best customers to help find great prospects. With Acquisition Admail, you can:

- Access more than 12 million urban addresses in Canada.
- Exclude your existing customers from a mailing so that introductory offers are only sent to prospects.
- Choose residential or business addresses.
- Target multi-dwelling buildings.

visit [canadapost.ca/acquisitionadmail](http://canadapost.ca/acquisitionadmail)

## NEW ADDRESSES LIST:

**Mail them when they're ready to buy.**

- Access more than 100,000 new residential addresses each year receiving mail for the very first time.
- Reach newly constructed residential dwellings, with offers on home renovations/décor, financial and insurance products, home entertainment systems and more.
- Target your message according to the audience. You can even customize the name field to include a greeting such as "Looking for new reno ideas?"

visit [canadapost.ca/newaddresses](http://canadapost.ca/newaddresses)

**FOR MORE INFORMATION ON ACQUISITION ADMAIL AND NEW ADDRESSES LIST,**

call **1 877 281-4137** to speak to a Data and Targeting Solutions Specialist.

[canadapost.ca/sorted](http://canadapost.ca/sorted)



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