





## Today's overview



**About Canada Post** 



Canadian e-commerce



The Canadian opportunity



The Power of the Canadian address



**Connecting with Canadians** 







## Powered by a Group of Companies







B2B or Urgent B2C

Canada's leading integrated freight and parcel solutions provider

**Canada Post Group of Companies** 

B<sub>2</sub>C

Canada's leading consumer delivery network

We deliver more
e-commerce parcels
than anyone else in
Canada

3PL

Canada's largest thirdparty logistics provider

Customized supply chain solutions to customers in the Retail, E-commerce, Technology, Healthcare, and Financial sectors

**Canadian Focus – Largest Network – Financially Stable** 

## We enable Canadian E-commerce



Canada Post has significant competitive advantages in our complete suite of end-to-end solutions to support merchants with their entire e-commerce operations.





## Canada Post trusted partner



**SEPHORA≡** 

Fruits & Passion















NIKE



CLARINS





















NINE WEST







Limitedbrands















































aritzia

































## Welcome to the Neighbourhood

From *Global* to *Local* – we invest in helping merchants and marketers become best in class businesses



Data & Insights



Market Research



Education
Programs &
Content



Parcel Lockers



Retail Concept Store

POSTES

CANADA





## Canadian e-commerce gathers speed



Canada is expected to see consistently higher e-commerce growth



Canadians shop more online and increasingly turn to their neighbours in the south



More than three-quarters (77%) of online shoppers shopped outside of Canada in 2017 and 1 in 5 anticipate an increase in cross-border shopping in the coming year.





Canadian online shoppers are fairly affluent and live in urban or suburban areas.

They span all ages and

household types.







Urban

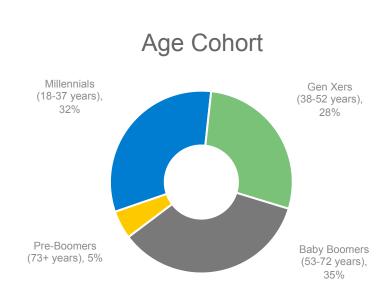
Suburban

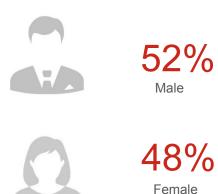
Rural

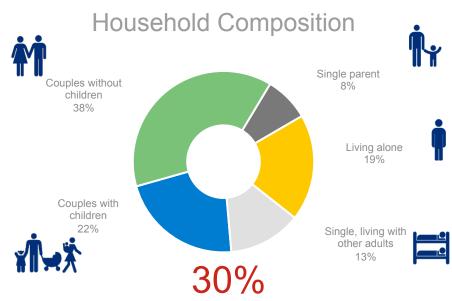
45%

36%

19%







Live in households with dependent children under the age of 25

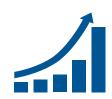






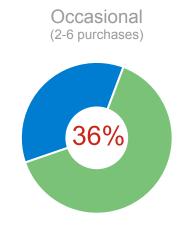
The eShopper market is migrating along the adoption cycle:

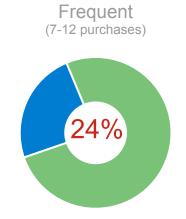
- More online shoppers are becoming frequent shoppers and the hyper segment has grown (+8%) since the 2016 survey.
- One-time, occasional, and frequent shoppers tend to be older, less affluent, live in households with no dependent children, and are less technically savvy.
- Power, hyper, and hyper elite shoppers tend to be younger, affluent, living in households with dependent children, and are technically savvy.

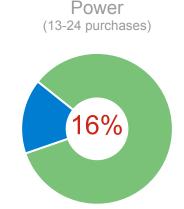


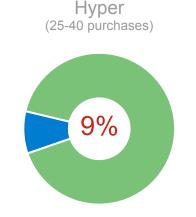
17.2
Average number of purchases/year
An increase of 6.3 since 2016

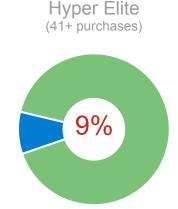
















- More than three-quarters (77%) of online shoppers shopped outside of Canada in 2017 and 1 in 5 anticipate an increase in cross-border shopping in the coming year.
- While Canadian online shoppers have access to a breadth of products and brands and find it more convenient to shop domestically, they are turning to the US for access to even more products and brands (and are willing to pay for shipping if needed) and to China for better prices (even though it takes longer to get items).





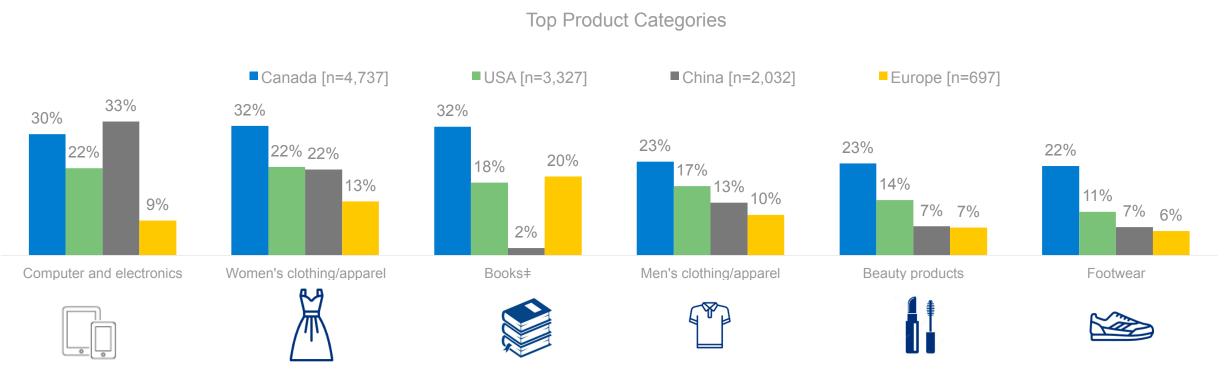


	Canada	US	China
Average spend	\$175	\$157	\$62
Free shipping	65%	38%	59%
Average delivery time*	4 days	9 days	33 days (4-5 weeks)
Acceptable delivery time when paying for shipping	1 day (11%) 2 days (27%) 3 days (22%) 4-5 days (21%)	2 days (14%) 3 days (16%) 4-5 days (28%) 6-7 days (17%)	4-5 days (27%) 6-7 days (26%) 2 weeks (25%)
Acceptable delivery time when shipping is free	5 days (22%) 6-7 days (27%) 2 weeks (23%)	5 days (13%) 6-7 days (20%) 2 weeks (40%)	2 weeks (20%) 3 weeks (26%) 4+ weeks (46%)





Canadian shoppers are primarily buying consumer electronics, women and men's fashion, books, beauty products, and footwear online.







## Selling to Canadians



## **Familiarity**

- Canadians are familiar with U.S. brands
- In a given month, about 1.75 million
   Canadians will get in their car and drive across the boarder for one day
- 62% of Canadians have purchased from the U.S. in the past 12 months



### **Accessibility and Proximity**

- Dense population clusters that are geographically close
- 80% of Canadians live 100 miles from the U.S. border
- Access to e-commerce shopper data by category and geography



# Similar Customer Profiles

- English-speakers
- High Internet/mobile users
- High everyday product purchasers
- We are often considered the 51<sup>st</sup> state

Potential acquisition: 16 million new connections







"Canada Post has almost two thirds of the e-commerce parcel business — with all that data, I consider them to be the offline Google."

Enrico Del Grande, Head of e-Commerce Fruit & Passion.







## Powered through the Postal Code

TARGETS AN AVERAGE OF 9,000 ADDRESSES – this is a neighbourhood



TARGETS AN AVERAGE OF 20 ADDRESSES – this is a postal code







# The Canadian postal code is the gateway to insight driven acquisition

Canadian postal code data allows marketers to target new customers by using Neighborhood Mail<sup>™</sup> and Postal Code Targeting



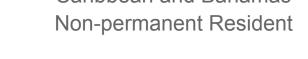


Mother Tongue: English



#### **Immigration Status:**

- 1. Non-Immigrant
- 2. Immigrant
  - Southern Europe
  - · Eastern, Southern and Southeastern
  - Central & South America
  - Caribbean and Bahamas







**Education**: University



#### Top 2 Prizm Cluster

- 1. 12: Street Scenes Younger, upper-middle-income singles and families. Urban Yong and Starter Nests. They represent 1.61% of Canadian Population.
- Total Households: 51
- Household Income: >100K (\$121k average)

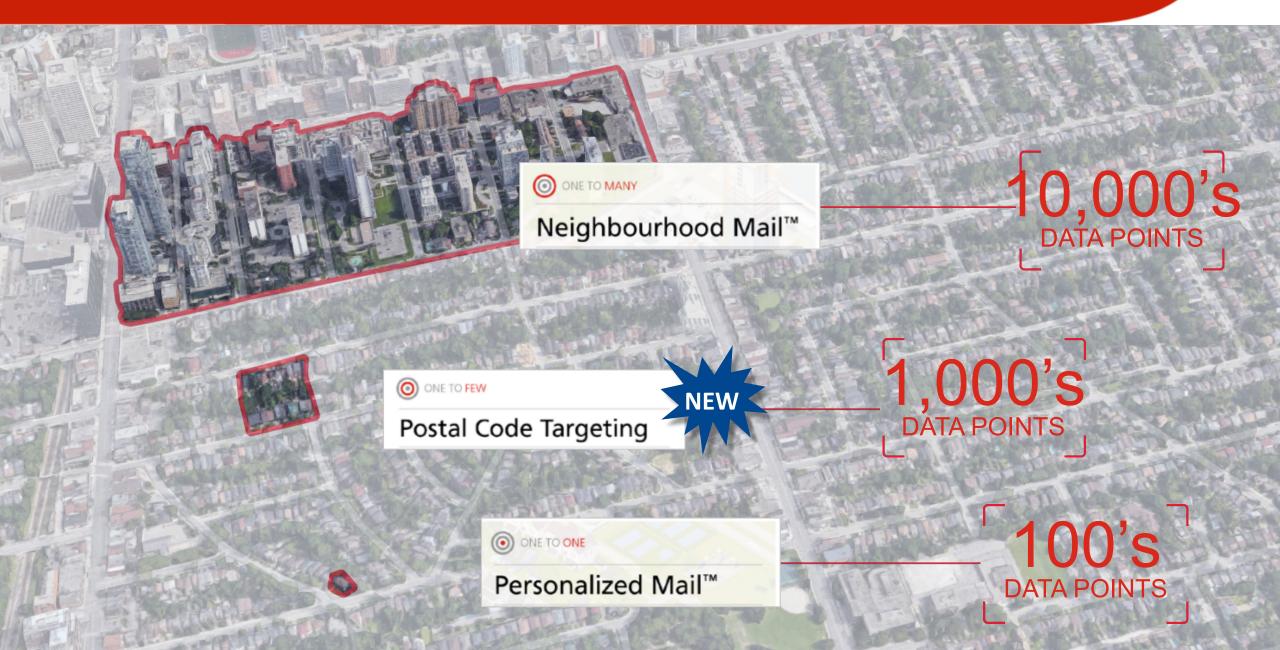








# Smartmail<sup>™</sup> Marketing solutions



## Audience Insights



### **Proprietary Data**

- E-Commerce Data
- Moving Data
- Snowbirds

# 3<sup>RD</sup> PARTY DATA











LIFE STAGE







## The Power of the Address



Previous 1 2 3 4 5 6 7 8 9 10

Next

Canada

M6N, Toronto, ON - From your search history - Use precise location - Learn more

Google automatically detects your computer's location using its IP address, Location History (if it's turned on), and recent locations \( \mathbb{Z} \) you've searched for.

## VS.

Lift the results of your next campaign with the advanced targeting capabilities of the address and reach your best customers where their biggest buying decisions are made



# Our targeting options allow marketers to filter by address intelligence

Customer Knowledge

Objective

**Targeting** options

You know the market/customer type you want to target

Acquisition

Neighbourhood Mail

You have some Canadian data

Acquisition / upsell



**Postal Code Targeting** 

You have a relationship with a Canadian consumer

Retention / loyalty / acquisition





POSTES

CANADA





## Acquiring customers with the intelligence you have

## Pier1 imports®

### The Challenge

Pier 1 was focused on finding and attracting new customers



#### Strategy

• Pier 1 used Neighborhood mail targeting five major urban markets in Canada: Toronto, Montreal, Calgary, Edmonton and Vancouver.



- Each mailing included a 3-tiered offer savings of \$50, \$20, \$10 tied to basket size
- Using existing customer data, Canada Post identified and ranked the Postal Routes where the mailing should be targeted by using lookalike targeting through Environics PRIZM clusters

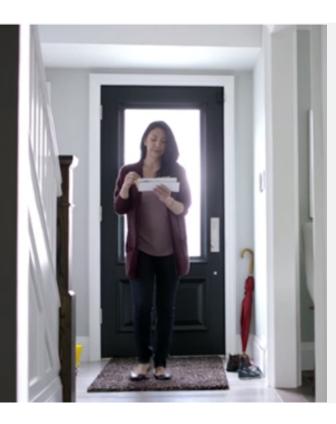


#### Results

- High Redemption & an increase in overall basket size "Well over half of the coupons redeemed were from brand new customers"
- Director of Marketing, Pier 1 Imports



## Ethnographic – Influence in the Home



### Consumers save and display mail

- Magazines in the living room
- Restaurant coupons on side of fridge
- Restaurant menus in kitchen cupboard

## 17days

Advertising mail is kept for 17 days, on average<sup>38</sup>

## 40%

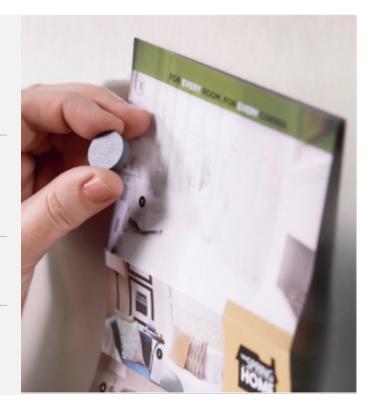
of those who receive catalogues typically keep them for at least a month (20% for at least four months)<sup>39</sup>

66%

keep mail they consider useful<sup>40</sup>

39%

have a dedicated display area in their home where they put mail<sup>41</sup>



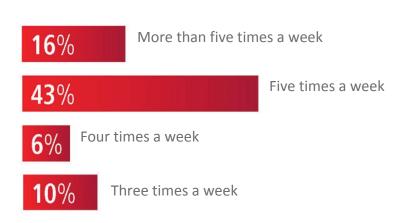




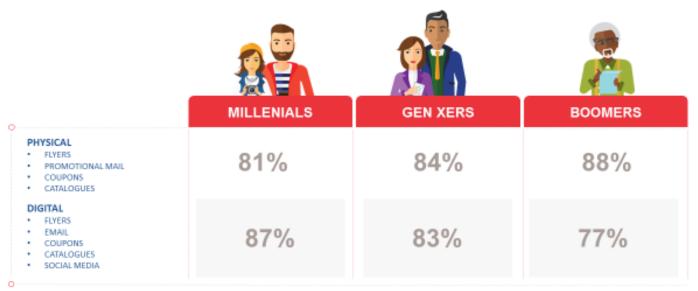
## Collecting Mail is part of our routine

# 75% of Canadians retrieve their mail three times a week or more

#### Frequency of mail collection



# All Generations in Canada use Physical Media, even Millennials



Percentages above indicate the proportion of people in each generation of research subjects who use a physical method of advertising to follow information or promotions

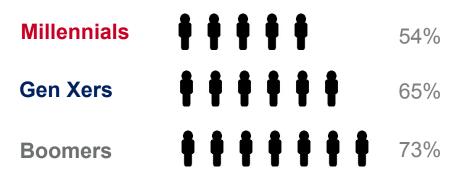




## Physical Inspires



I like to look at paper flyers to help me prepare my shopping list





I like reading paper catalogues to get ideas/inspire me

Millennials	1111	44%
Gen Xers	* * * * *	48%
Boomers	* * * * *	52%



I like receiving coupons by mail

Millennials	• • • • •	63%
Gen Xers	* * * * * * *	65%
Boomers	* * * * * * *	67%







**Behaviour Towards Advertising** 



...if we continue to speak to generations as a homogenous group we'll lose the opportunity to leverage the triggers in their life that propel them towards a brand choice.

It's not Age, It's Life Stage

## With or Without Children







# PROMOTIONS



#### **MILLENNIALS**

Without With children children

#### **GEN XERS**

Without children With children [n=716] [n=716]

#### **BOOMERS**

Without With children children [n=430]

Paper Flyer	60%	79%	69%	77%	80%	81%
Promotional Mail	46%	51%	50%	53%	50%	56%
Paper Coupons	43%	57%	48%	54%	47%	49%
Paper Catalogues	19%	30%	19%	23%	19%	25%







# Real things and why they matter



Customers crave real authentic and emotional experiences









## Digital Platforms use Physical













- Amazon and Google have both used Direct Mail to drive business results
- eComm brands are using Pop up Shops to provide a deeper & more engaging customer experience

**48%** Email **87%** Mail





POSTES

# You don't need consent for postal marketing

Canadians take their privacy very seriously and we are skeptical when companies we don't have a relationship with us then have access to our personal information.

Electronic messages, door to door and outbound calling are all regulated by the CRTC and Privacy Commission

It's easy to stay in touch through mail

Canadians respond to what comes through their mailbox regardless if there name is on it

Neighborhood mail offers targeted services that are delivered with Personalized mail that enables you to activate new relationships

Research shows neighborhood mail stays in the home an average of 38 days and is frequently revisited

Mail primes other media ensuring that your email and other electronic communication is better recognized and received

## Bringing it altogether

#### Path to Purchase

#### **Pre-purchase / Purchase**









Post-purchase





**eCommerce Market** Intelligence and **Advanced Targeting Capabilities** 

**DM Targeting Data & Analytics** 

**Direct Mail** 

**Parcel Delivery** 

Loyalty Mailing

 Exclusive eCommerce transaction data, which can be used to help retailers understand their competitive

positioning and

opportunities

- Connect with qualified online buyers (at the postal code level)
- Reach all Canadian consumers / households every business day
- Turn interaction into action at key points throughout the path to purchase

- Widest network in Canada in terms of delivery reach
- · Ownership of the 'last mile' delivery / experience
- Empowering consumers with delivery preferences

Drive loyalty and retention by connecting oneto-one with your customers









targeting





