Plus JACEK Chocolate on brand identity // Aurora Heat on sustainable journeys // Buttercream Clothing on slow fashion





# **Ecommerce Insider**

## Spring 2022

#### 5 Letter from CEO

President and CEO Doug Ettinger discusses how Canada Post is helping businesses find purpose in an era of transformation.

#### 6 Cover Story

YVR Cookie starts baking its customer experience long before the cookies hit the oven.

#### 12 Expert insight

Deloitte Global Managing Partner Jennifer Lee grants Canadian businesses permission to shift from survival mode to a new value creation mindset.

#### 24 Canada Post news

Canada Post is finding sustainable solutions to address the impact of Canadian ecommerce growth in the country's busiest urban centres.

#### 26 Business profile

Kid's Stuff wants to bring every customer along as they redefine children's fashion.

#### 34 Infographic

It is always the season to be thinking about the holiday season.

#### 48 Case study

#IveGotYourBack911 uses retail operation to respond to a growing need of mental health support for first responders.









<sup>™</sup> Trademarks of Canada Post Corporation. YVR Cookie, Instagram, International Air Transport Association, Shopify, Drip, Grin, Canva, Deloitte Canada, Ecocat, Mondou, PetSmart, Buttercream Clothing, Kid's Stuff, Etsy, ShipStation, Google, Facebook, JACEK Chocolate Couture, Aurora Heat, Snowboard Canada, Nordic Canada, Bushkids NWT, Child & Nature Alliance of Canada, Canadian Anti-Fraud Centre, RCMP, Desjardins, Atomic Habits: An Easy & Proven Way to Build Good Habits & Break Bad Ones, Moon of the Crusted Snow, My Octopus Teacher, tick, tick... BOOMI, Profit First: Transform Your Business from a Cash-Eating Monster to a Money-Making Machine, Reddit, Inside Out, Up, Coco, Collard Greens, Where Are You Now, Comeback, Quotient: A Get-Real Guide to Building Mental Fitness in Sport and Life, Bob's Burgers, Crime Junkie Podcast, Retail Council of Canada, CAFC, Reddit, Pixar, Spotify, #IveGotYourBack911, CFL, Golf Town, Sporting Life, eCommerce Canada, Bayer, HBO Comedy, Virgin Mobile, Wendy's, General Motors, Lowe-Martin Group, The&Partnership. Word and design trademarks belong to their respective owners. Certain images shown and web addresses mentioned in this magazine are the property of the companies featured.

#### **>** CONTRIBUTORS

#### **EXECUTIVE EDITORS**

**Cristina lanni** / Manager, Parcels and Ecommerce Enterprise Marketing, Canada Post

**Jason Winders** / Sr. Content Strategist and Writer, The&Partnership

#### ART DIRECTION AND DESIGN

Hai Nguyen / Designer, The&Partnership

#### **CANADA POST**

#### MARKETING

**Danielle Doiron** / General Manager, Marketing **Mamta Dogra** / Director, Parcels and Ecommerce

Enterprise Marketing

#### FRENCH ADAPTATION

Manon Laberge / Managing Editor, Language Services

#### **DIGITAL SERVICES**

Fernanda Grandizoli / Project Implementation Officer
Brandon Birch / Senior Digital Content Strategist
Mark Kidd / Officer, Visual Design

Vamshidhar Reddy / Front-end Web Developer

**Karen Opas** / Manager, User Experience

Mahesh Abeyewardene / Web Publisher, User Experience

#### **PRODUCTION**

**Bernice Banigan** / Senior Project Manager, Hogarth Worldwide **Jared Gibson** / Lead Studio Artist, Hogarth Worldwide

#### **PROOFREADER**

Nathalie Legros / Re:word Content Co.

#### **PRINTING**

**Lowe-Martin Group** 

Ecommerce Insider is published by Canada Post.

CANADA POST 400 HUNT CLUB ROAD OTTAWA ON K1V 1C1

© 2022 Canada Post Corporation. May not be reprinted without permission



# Purpose in an era of transformation

## If there's anything we've learned over the last two years, it's how to adapt.

Now, as Canadians and Canadian businesses emerge into an ever-changing retail landscape, we are stepping up in this unique moment to play a leading role in moving the country forward. We are making a long-term commitment to put Canadians and Canadian businesses first, a commitment that will guide our strategies and reinforce our greater purpose: to deliver a stronger Canada.

This purpose is found in our actions, our people, and our commitment to Canadians.

We're investing in capacity and product innovations to support a vibrant Canadian economy and growing ecommerce ecosystem. We are using our scale and infrastructure to invest in solutions, testing and learning, to create meaningful change in our communities.

We're journeying towards creating a greener, more sustainable Canada Post and aspire to become, in time, a leader in sustainable delivery. With initiatives like net-zero carbon ready facilities, e-cargo bikes and low-speed electric vehicles, we are taking bold steps to improve our collective carbon footprint.

We're shaping and building a diverse and inclusive workplace, one in which all voices are welcomed and heard. This culture of belonging reflects the diversity of Canada's retailers, customers, and communities we serve.

We understand the future will be about thinking big, understanding the customer, evolving our culture, guiding change, and encouraging leadership – all while exercising agility.

Like us, brands across the country are putting their customers at the centre of their business; proudly sharing their values; and rethinking how they approach issues ranging from sourcing and supply chain, to sustainability and gender inclusivity, to much more.

In this issue of *Ecommerce Insider*, we celebrate some of those Canadian retailers moving boldly into the future – informed by the events of the last two years, but no longer limited by them. We are honoured and humbled to share their stories.

Doug Ettinger
President and CEO

# Unboxing the future

YVR Cookie starts baking its customer experience long before the cookies hit the oven

Do Monique Lisek a favour: Take 30 seconds and throw the cookies in the microwave. Trust her – it's all part of the experience.

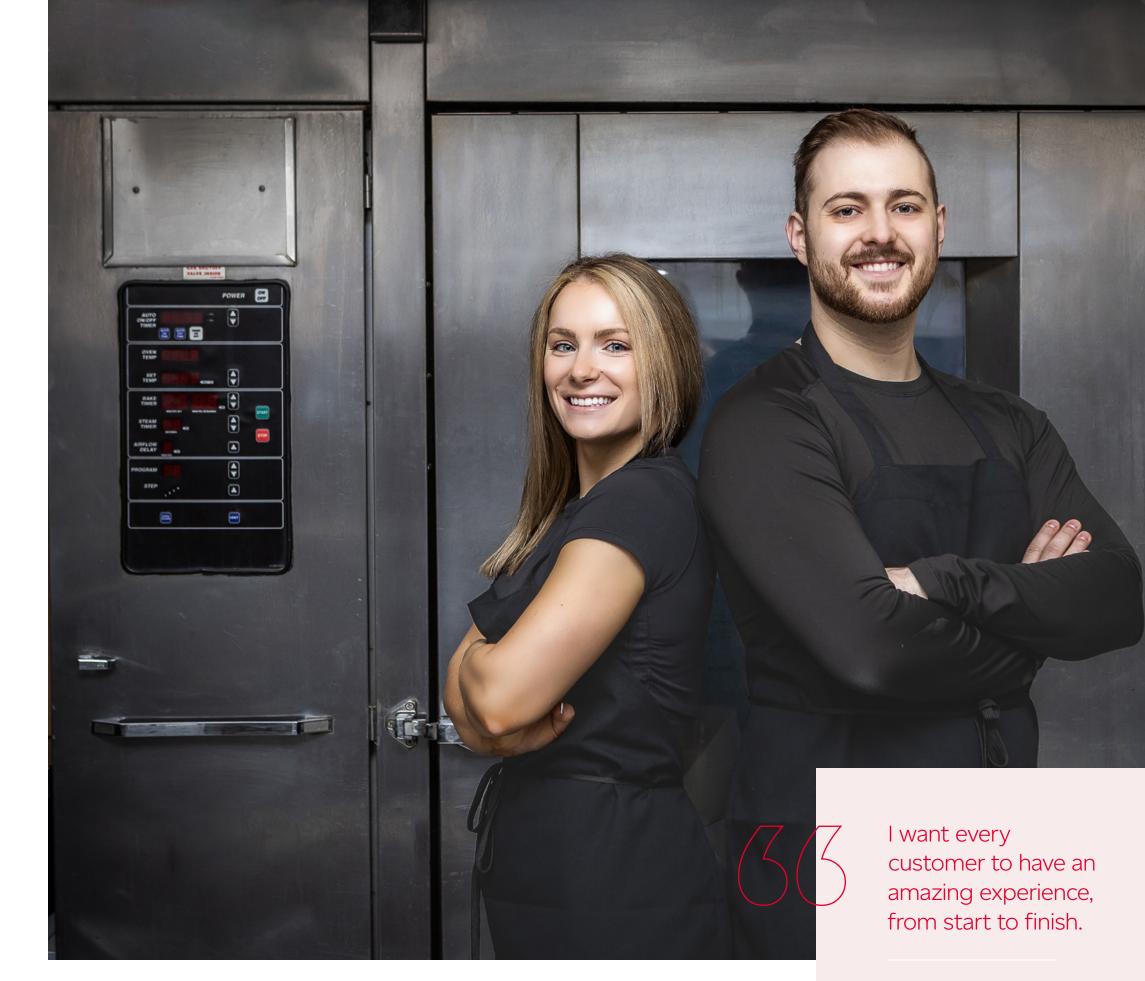
"I want every customer to have an amazing experience, from start to finish," she explained. "A gooey, warm, melty cookie is part of that epic experience they see on Instagram or in the videos we take. It is super important that they can achieve that at home."

Lisek, along with Konstantyn Kopystynski, are co-founders of YVR Cookie, a Vancouver-based gourmet cookie e-tailer. Without a storefront to tempt potential customers with smells and samples, the company has instead baked up a unique customer experience that creates a tasty connection with customers delivered to their door.

#### Fresh from the oven

A former university athlete and fitness competitor, Lisek understands the value of a "cheat day" – that one day of the week where clean eating can be sidelined in favour of some tastier treats. Unable to find the cookies she saw competitors snacking on in the U.S. – "they were huge, stuffed and topped with all these crazy good things" – she decided to make her own.

A baker since youth, Lisek first created a salted caramel pretzel cookie – "thick and packed with goodies" – for family and friends. Other recipes soon followed. To showcase her creations, she launched



Monique Lisek,YVR Cookie Co-founder



an Instagram account called YVR Cookie – YVR being the International Air Transport Association code for Vancouver.

Soon, her creations were getting more attention from co-workers, competitors and complete strangers. In August 2019, Lisek and Kopystynski, who originally met at the gym, went from selling cookies out of the back of their car at fitness shows to creating an online store and committing themselves full-time to their business.

They had just moved into a shared kitchen facility and hired their first employee when the pandemic hit and comfort food like cookies took off in popularity. When the world shut down, that's when YVR Cookie made its big push. By September 2020, the team had moved into its own bakery, upgraded equipment and grew the team to 20 employees.

Today, YVR Cookie continues to grow its operations and availability thanks, in part, to a focus on customer experience.

#### **Baking an experience**

Your gourmet cookie business doesn't crumble without a storefront.

"It is about creating an experience not replacing one," explained Kopystynski, YVR Cookie CEO. "That is the intentionality behind it. We recognize there is a trade-off. But for us, customer experience is about creating an excitement, a feeling. It doesn't require a physical store."

For customers, that experience starts online.

On the company website, original photography shot by Lisek showcases the "gooey and epic" nature of the cookie experience, as well as immediately connects potential customers with the YVR Cookie community through reviews.

On the back end, Kopystynski specifically cited Shopify as helping grow their business.

"The base platform is simple, but what really stands out is their app/developer marketplace to make customizations within their infrastructure," he said. "We are able to customize a lot from a user-experience perspective and for order management and reporting. As a result of having a streamlined order management and reporting system, we are able to scale our operation efficiently."

Shopify also integrates into many of its software, such as Drip (email marketing software) and Grin (creator community manager). The brand also uses Canva online graphic design software to create its aesthetic without being design experts.

But it's on YVR Cookie's social media where the brand not only takes on its personality but follows customers home with their orders.

"Instagram makes it easy for us to be a part of people's experience while they're actually receiving and eating the cookies," said Lisek, YVR Cookie Creative Director. "We can be right there – I can message someone live as they're trying the cookie, hyping them up, getting excited with them, asking what their favourite thing about the cookie was. That has been at the core of our customer service ever since – being engaged with the whole experience."

#### Getting boxed in is a good thing

The company's shipping philosophy starts well before the boxes come out – they are thinking about shipping while in the kitchen creating. Lisek and Kopystynski will tell you that there is a balance between a great-looking cookie and one that ships well.

"The cookies themselves are pretty durable, but one of the most important things to take into consideration is if the toppings are going to ship well. That's the challenge," Kopystynski said. "It's a big challenge. If we had a physical location, we could go crazy with the toppings – but we learned the hard way that crazy toppings don't usually survive the shipping process."

That's why packing and shipping are almost as important to YVR Cookie as the treats themselves.

"The unboxing experience had to be great from the start," Lisek said. "We wanted it to look nice, for customers to want to take photos and videos with it. Normally, you buy a box of cookies, peel back the aluminum and have some cookies there. I wanted to be different, immaculate every single



It is about creating an experience not replacing one. That is the intentionality behind it. We recognize there is a tradeoff. But for us, customer experience is about creating an excitement, a feeling. It doesn't require a physical store.

Konstantyn Kopystynski,YVR Cookie Co-founder



time, fun and Instagrammable. I wanted people to take videos of unboxing. I wanted them to want to share."

The high-end experience is packed with surprises throughout. They love to use the word "crispy" to describe it – and that is a perfect word for it.

Customers open the box to crisp tissue paper folded like a military cot and sealed with a cute sticker. Below that, they find a welcome note (with reheating instructions) atop crinkly packing material. Another layer down they find individually cellowrapped and labelled cookies sitting on top of biodegradable packing peanuts.

It is all so tight and neat. It is a, well, "crispy" experience.

Achieving this experience did not happen overnight, in fact, it involved a tremendous amount of trial and error – and people.

"We have an incredible group of people who care so much," Kopystynski said. "They'll look on our Instagram stories featuring customers and notice a well-put-on sticker and crispy tissue. They take a huge amount of pride in seeing that and will compliment each other for doing a great job."

#### Tasty glimpse into the future

For YVR Cookie, the future is already in progress as many of the company's long-range initiatives launched in early 2022. The company will continue its focus on next-day delivery within its local shipping radius and two-day shipping to Ontario. The efforts also include further growth in Eastern Canada plus an expansion into the United States.

"The things that happened in the pandemic put us in a position now where we can focus on the bigger stuff – moving into more markets, making things more accessible, streamlining operations," Kopystynski said.

But no matter how big it gets, both co-founders stressed, customer experience will be baked into the operation.

#### yvrcookie.com



Go inside the box and discover why presentation and "crispy" packaging are key aspects of the YVR Cookie customer experience: canadapost.ca/
UnboxingExperience



We have an incredible group of people who care so much. They'll look on our Instagram stories featuring customers and notice a well-put-on sticker and crispy tissue. They take a huge amount of pride in seeing that and will compliment each other for doing a great job.



Key Takeaways



Customer experience starts long before they show up at your virtual door.



Packaging and shipping can be viewed as more than a means to a destination, it can be part of a larger experience.



Communication is key in helping customers enjoy your product to its maximum.

Konstantyn Kopystynski,
 YVR Cookie Co-founder

**EXPERT INSIGHT** 

# Think big. Think bold.

Granting Canadian businesses permission to shift from survival mode to a new value creation mindset

By Jennifer Lee

The pandemic put Canadian business owners into survival mode.

You were faced with a constant stream of challenges for two years, forced to make important decisions on the fly, often without all the necessary information. You were consumed with fear for the health of your family and your business. Nobody will forget what you went through.

But you made it – you're still around. That's both amazing and cause for celebration.

It is also a signal to come out of survival mode and embrace a new mindset going forward, one that recognizes how the world has changed and what it could mean for your business.

And when considering what to do next, you have my permission to be bold.



Remember, you are no longer about preservation – you are about being bold.

- Jennifer Lee, Global Managing Partner, Deloitte



#### **Discovering your value**

We all know that the pandemic forced everybody online – even your 86-year-old grandmother figured out how to order food or buy a product or do almost everything she needed online. All those businesses that resisted "going digital" for so long – it's finally done. We're not talking about that anymore.

Now, Canadian businesses need to look at the investments they had to make to survive, and consider how to leverage them in such a way that makes their business more impactful. That's where value creation comes in.

Value creation is often quite personal: Maybe you want to scale. Go international. Better use your data. Increase customer spend. Perhaps you simply want to leave a legacy for your children. These are the kinds of value creation mindset elements businesses need to consider.

And now is the perfect time to shift your mindset in that direction, toward placing bets and taking risks, toward seeking partnerships with people who can help your business, toward building a roadmap now that you have all the building blocks in place.

Remember, you are no longer about preservation – you are about being bold.

The conditions for bold thinking couldn't be better. The capital is out there. It used to be that you, as the sole entrepreneur, had to carry all the risk. Not anymore. Seemingly every day there is a new venture fund or equity fund popping up. They are hungry to find growth opportunities.

Access to capital is not the issue anymore; it's the ideas that are in short supply.

#### Respond. Recover. Thrive.

For two years, I talked with my clients about how their businesses could "respond, recover, thrive" as a path forward through the pandemic. Well, we made it to the "thrive" stage – right now.

So, what does a value creation mindset look like coming out of the pandemic? In my conversations, I have discovered some common behaviours that facilitate bold thinking:

**Look for intersections.** There's a blurring of the lines happening between industries. Where are those opportunities for you to access a bigger market?

**Understand your value.** What is value to you: Earnings. Profitability. Top-line growth. More customer data. A more profitable channel. More customers. Deeper customer loyalty. You need to define the metric that will define where you spend your time and who you spend your time with.

**Don't go it alone.** It takes a village to really help develop a business. Find yourself the right partners and advisers who understand your business, who are willing to invest in your business, who understand the mindset and who will help guide you through that mindset.

**Explore diverse views.** If your advisers look and smell exactly the same as the CEO and the executive team, that's a problem. You should be looking for advisers who are not like you.

**Learn from others.** Everyone believes they're the only one going through something. Spoiler alert: You're not. No matter the challenge – climate change, activist investors, angry social media – someone has been there. Embrace best practices.

#### **Permission to launch**

I get that most people find it overwhelming. You're so busy running the day-to-day business that the thought of thinking about anything else is tough.

But you know what was tough? Surviving a pandemic. And you did that.

Now is the time to shed the fear and be bold.

Canadian companies need to surround themselves with people who will push them to think bolder, to dream bigger. Most people don't know they should have these ambitions, because no one really gave them permission to be an ambitious company that can grow.

Canadians should emerge bolder and more ambitious in their goals.

You have my permission.

Jennifer Lee is the Global Managing Partner for Global Financial Advisory Clients & Industries, focusing on developing and delivering Deloitte's global advisory go-to-market strategy. Most recently, she led Deloitte's Global COVID-19 response and the global Deloitte COVID-19 leadership team.



# 'Paws' and effect

Ecocat looks to make life healthier and happier for felines and their human families – while lightening their ecological footprint

Carl-Philippe Nantel has dedicated himself to making the lives of felines and their human families healthier and happier, all while easing their ecological strain on the planet. It's a bold innovation, he hopes, that will change the way people think about their pet's impact.

Not a bad idea for a guy who didn't even own a cat.

"There are many, many cat owners, and they all love their cats so much. The more I spoke with people, the more I was surprised by the close relationship between humans and cats," the Ecocat Litter founder explained.

"I never thought I would be a cat owner – I never thought I would be a cat lover. But I was won over. It became my obsession to make cats happier and owners' lives easier."

#### The literal problem with litter

The scope of the problem, well, stinks.

Currently, the cat litter market is dominated by products made from bentonite clay, a natural clay that clumps when in contact with moisture. That ability to swell to 15-times its volume makes bentonite clay ideal for litter products.

Its convenience, however, comes at a price. Not only is bentonite clay largely obtained via environmentally damaging strip mining, it is also non-biodegradable, which means Fluffy's bulky litter will reside in a landfill for the next millennia or so.

"I am not sure people realize how bad cat litter can be for the ecology. I knew I wanted to encourage pet owners to reduce their waste. I knew I wanted to create an ecological, efficient, and affordable solution. But I didn't know how," Nantel explained.

"For six months, I was obsessed with learning about cat litter. So much so that I finally got my own cat and we started to try different litter together."

With his furry business partner, Nantel began a trial-and-error process that would last two years before he landed on a solution that, he says, is approved by his chief customer – cats.

I am not sure people realize how bad cat litter can be for the ecology. I knew I wanted to encourage pet owners to reduce their waste. I knew I wanted to create an ecological, efficient, and affordable solution. But I didn't know how.

Carl-Philippe Nantel,
 Ecocat Founder



#### Joining the circular economy

Founded in 2019, Ecocat offers a soybean-based cat litter, a product that provides the same benefits as clay litter but without the major drawbacks. The completely plant-based product clumps and controls odour while being biodegradable and compostable.

Nantel is proud of his Montreal-based company's place in the circular economy, with its product ingredients sourced from residue produced by a ramen noodle plant.

"We are taking a leftover product that nobody wants, nobody needs and turning it into something useful," he said.

Currently, Ecocat is only available in Quebec, with more than 90% of its business coming through the company website.

While customers may buy individual bags, the company offers multiple subscription plans where customers pick a package for a recurring order that is shipped to their homes.

"Our goal was to have a subscription-based model front and centre from the start – it was about convenience for cat owners," Nantel explained. "As an ecommerce company, we have big ambitions. Litter can be a little boring, but we are always looking to do something a little different, a little smarter. The subscription model got attention."

We're not only selling litter, but we are also giving information and advice to customers, while also helping them lessen their impact on the planet.

Carl-Philippe Nantel,
 Ecocat Founder

But when you lean on subscriptions and home delivery, you need a creative shipping solution, Nantel explained.

"When you think about shipping a product like this – heavy, bulky, and frequent – you need to consider it all, from the product, to the innovation behind it, to the packaging. It all works together," he explained.

First, the product was developed to provide the same absorbency at one-third the weight of its competitors. An eight-pound Ecocat bag, for instance, lasts one cat one month. With clay litter, 24 pounds of product is needed for the same duration.

"That product innovation alone is why we can also sell almost exclusively online," Nantel said.

Second, the company engineered a vacuum bag and biodegradable packaging to maximize the shipping efficiency and minimize the environmental impact.

"Our packaging is secure and durable, but it is also a marketing tool. We have created something nice, so when consumers see it, it pops out. Yes, it is still solid and safe for transport – but it is also cool," he said.



#### Finding a way forward

According to Nantel, since March 2020 one-third of Canadian pet owners have welcomed a new pet into their homes, representing an estimated three million pets. In Quebec, pet owners are more likely to have cats (67%) compared to dogs (48%).

Coupled with the rise of online shopping, that created an incredible – and almost instant – demand for pet products. But when factories shut down and halted supply, Ecocat was stuck. No raw material meant short stock.

"That was a scary time," Nantel said. "But we learned a lot of lessons in that moment and are using those to plan our future growth."

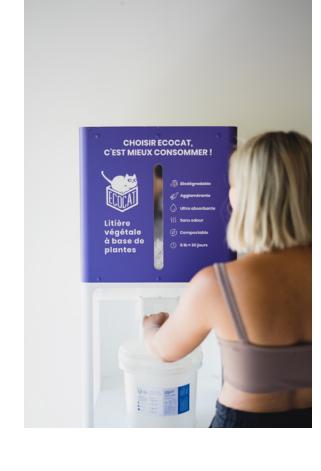
In the next five years, Nantel looks to grow Ecocat outside Quebec, with planned expansion into Ontario and British Columbia already underway, followed by nationwide and, eventually, the United States.

In order to do that, the company needs its own factory at home. Even without another global pandemic, Nantel does not see an immediate end to supply chain challenges. Not only does a Canadian factory provide better control of its chief ingredient, it will further reduce the company's ecological footprint by bringing production closer to home.

"This is really important for us. We are so focused on making this a reality," he said. "Scaling does not happen at the level we want without it."

Customer demand is also calling on the company to expand beyond online.

With the pet care marketplace dominated by retail giants like Mondou and PetSmart, Ecocat is developing relationships with these chains and looking into offering its products in stores.



Additionally, the company is testing a refillable bulk litter bin in a handful of retail outlets. The fill-on-demand service is offered at a reduced price and has, so far, proven to be a popular alternative.

Ecocat also hopes to become a thought leader by including more pet care and health advice on its website and social channels. It is about offering anything that makes cats' and their owners' lives a little easier, Nantel said.

"We're not only selling litter, but we are also giving information and advice to customers, while also helping them lessen their impact on the planet," he explained. "We love cats and we want to help."

ecocatlitter.ca :

01

Key Takeaways Know that shipping is about more than the box – the product, the innovation behind it and the packaging 02

View your growth strategy in light of supply chain issues of the last two years. 03

Consider the challenges customers face and how your ecommerce operations can help solve them.

all work together.

# Fast-forward to a slow fashion future

Buttercream Clothing embraces community and communication to bring slow fashion into the future

Candice Munro plans to take it "slow" right now – and her customers and community couldn't be happier.

"Slow fashion is a huge challenge in a world of immediate gratification," the Buttercream Clothing founder and owner said. She explained that slow fashion advocates for buying better-quality garments that will last longer and for fair treatment and pay of people, while building a close-knit, inclusive community.

"It has become popular, even trendy, as people, especially with supply chain issues, move towards wanting more locally made items. Customers are discovering that slow fashion is the way to get it."

Buttercream Clothing embraces the slow fashion mindset, and what goes into managing the process around the trendy term gets to the heart of the brand's larger ethos of community and communication as a pathway toward sustained success.



#### Local. Ethical. Well made.

Munro launched Buttercream with one sewing machine on her kitchen table and her new baby in tow, and grew the direct-to-customer ethical clothing e-retailer into a popular brand known as much for inclusivity as for the quality and comfort of its collections.

Today, Buttercream employs 30 people, including seamstresses, warehouse and factory team members in Calgary, all oriented around one mission.

"Local, ethical and well made in Canada is how we started – that was the origin story," said Munro, who lives with her family in British Columbia, while the Buttercream team operates out of Alberta. "Even as we grow, and as things elevate, that is still the backbone of the business. It's so important to us."

That commitment has endeared the brand to its community, a close-knit group of customer-advocates, many of whom have been on board from the start.

Buttercream started with Munro organizing home dress parties, where she brought a handful of original designs for women to see, feel and try on. Their feedback would be reflected in future designs, many of which are still some of the brand's most popular styles.

Her formula for success is simple: "We really listen to our people."

That spirit of that conversation from those earliest parties continues today, as connection and communication between the brand and its shoppers remains vital.

Local, ethical and well made in Canada is how we started – that was the origin story.

Candice Munro,Buttercream Clothing Founder

#### Learning to go slow

Buttercream is proudly slow fashion – not a term that gets thrown around a lot, so it often creates confusion among shoppers.

Basically, at any given time, Buttercream has 100 SKUs on its website - some freshly baked, others for presale. The brand makes the difference between the two categories exceedingly clear for shoppers.

Freshly baked means just that - items are ready to go when you order it. Usually. Popularity, you see, has its price.

Savvy Buttercream shoppers have educated themselves about how the brand launches these Freshly Baked items. "It gets incredibly competitive," Munro said. "Freshly Baked items sell out really quickly - amazing, but that has its own challenges. While we try not to market around scarcity, there is only a limited amount of garments our team can make in a short period of time. Our community has learned to jump on these launches without delay."

Presale items, however, are different. Once you order, only then does the fabric get cut and seamstresses begin their work. These small batches mean little waste or unwanted inventory, but they also mean a wait time for customers (think upwards of 10-12 weeks during high-volume order times).

"People really get it," Munro said. "They're willing to wait – sometimes wait a long time – for the orders they want. Granted, we're trying to turn that around and make it as fast as we can, but it's slow fashion. It's a different world than the fast fashion, which has been so mainstream for so long."

The Buttercream team manages expectations, however, through communication and transparency - and even a few surprises while customers wait.

"Expectations with customers are a lot about education - and we educate people everywhere," Munro explained.

From a mandatory checkbox at checkout acknowledging the wait time, to messaging on the website and in its confirmation emails, to social media posts highlighting the seamstresses making the order, it is hard not to get the message.

While customers wait, the brand supplements the order with smaller launches every two weeks and flash sales on social media.

"Slow fashion does not necessarily work for everyone. But our community has really taken to it and even educates their friends and family what to expect when ordering," Munro said.

Slow fashion does not necessarily work for everyone. But our community has really taken to it and even educates their friends and family what to expect when ordering.

Moving forward together

Buttercream is ready to go full steam into their slow (fashion) future.

In the months ahead. Munro looks to open a storefront/showroom in its Okotoks, Alberta, warehouse. There are plans to expand its size range offerings to 5X and 6X, while also adding in some more business casual looks for those returning in person to the workplace.

"When online shopping skyrocketed, our sales increased by 40% overnight. We're still on that trajectory; we haven't looked back," Munro explained. "That kind of growth has been a challenge, but we're also very grateful for it and the community that has taken us here."

#### buttercreamclothing.com +





Discover how Buttercream Clothing selects its models so customers can see themselves in the brands' clothes - even before they buy them.

canadapost.ca/BrandCommunity.



Key **Takeaways** 

Managing customer expectations has a lot to do with educating them on your processes.

Customers rally around a brand with a strong, clearly stated ethical and sustainable commitment.

Success can be as simple as listening to your customers.

- Candice Munro. Buttercream Clothing Founder

# Whole new direction

The Canadian shopper's journey has set off in a new direction – and you need to understand where it is leading your business.

Canada Post surveyed more than 5,000 Canadians who made online purchases in the last year, all in an effort to better understand how their paths to purchase have been impacted by ecommerce acceleration. What they told us about their reimagined journey will help you evaluate key aspects of your business and identify gaps between your current operations and the ideal shopping experience.

CONSUMER

AWARENESS

DISCOVERY







.....

**46%** word of mouth

**33%** web search results

**26%** in person at a physical store

**23%** TV ads

22% flyer or ad received in the mail



Shoppers are taking in constant information about your brand:

1 in 4

•-----

read more about the brand and its values

1 in 5

check social media to see what others are saying about the business

## What could possibly cause What kept shoppers shoppers to abandon their cart: coming back for more: 92% cost of shipping too high **46%** customer loyalty programs 80% threshold for free shipping too high **44%** ability to choose different types of rewards 74% brokerage fees, duties, taxes were too high **34%** ability to opt in to receive special offers **30%** VIP membership 67% time to deliver was too long 65% online store too difficult to navigate 30% proactive customer service on recent purchases •------CONSIDERATION CONVERSION RETENTION **ADVOCACY**

## A variety of issues are in play for shoppers deciding to purchase from your brand:

**58%** free shipping

**58%** better price

29% Canadian-based company

**22%** better or equivalent product selection

18% better returns policy



Explore these ideas further by downloading *Navigating the Canadian shopper journey* to fully understand how to turn shoppers into brand advocates at **canadapost.ca/ShopperReport.** 

# Answering growing concerns

Canada Post offering sustainable solutions for explosive growth in Canadian ecommerce

## Canada is a growing destination for people from around the world.

In fact, among G7 countries, Canada remains the fastest-growing with approximately 1.8 million more people living here today than there were five years ago, a growth rate of 5.2%, according to Statistics Canada data released in February 2022.

That growth, as you might guess, is predominantly being absorbed by our urban cities. There are now 41 large urban areas with populations greater than 100,000 (a.k.a. census metropolitan centres). That compares to only 35 such areas just five years ago.

Of the 36.9 million Canadians, 27.3 million of us now live in one of those 41 areas.

That kind of growth is so exciting in so many ways – as the vibrancy and diversity of our cities continue to increase. We are a global destination for commerce, innovation, education and entertainment.

Additionally, Canadian shoppers show no signs of slowing down their online buying habits. Consider that 89% of Canadians plan on buying the same or more online for delivery in 2022. Or that 1 in 3 frequent online shoppers – those who make 25 or more purchases/year – now represent one-third of Canadians. That's a lot of packages making their way around the country and through our cities.

That kind of growth can also be challenging. Maintaining a sustainable balance between the needs of people and the needs of the planet becomes everyone's concern.

Our urban centres are at a critical inflection point that necessitates all players within the last-mile ecosystem – municipalities, retailers, delivery agents, shippers, logistics and transportation service providers, as well as other relevant stakeholders – to understand their roles in developing a resilient system in order to prioritize their actions and resources.

As the country's largest parcel carrier, Canada Post has an important role to play in supporting the transition to a low-carbon future and alleviating congestion in our urban areas. To do so, we continue to leverage the best research (both internal and independent) to advance our understanding of the Canadian shopper and the drivers of environmental efficiency and congestion control in the last mile.

In fact, we have already taken to the streets with some highly visible creative solutions.

Last year, Montreal consumers may have seen our e-cargo trikes riding in the downtown neighbourhoods of the Village and Pointe-Saint-Charles. This three-month pilot project addressed a demand for more environmentally friendly delivery practices. After gathering positive results, Canada Post will be launching a second phase of this pilot and testing e-cargo trikes in Vancouver later this year.

Canada Post will also be launching an additional pilot program this year – one testing low-speed electric vehicles on delivery routes throughout the year. The compact, lightweight vehicles have electric motors, four wheels and a maximum speed of 40 km/hr. The project is planned to go live during the second



quarter of 2022 in high density neighbourhoods of Ottawa to help reduce congestion and emissions. We will monitor the proof of concept to understand viability in other locations while providing the best safe-work procedures and design to reduce environmental impact.

These are two innovative ways Canada Post is finding opportunities to improve collective carbon footprint and is a step in the right direction to delivering on the shared values of Canadians and Canadian businesses, while creating a more sustainable future.

Looking ahead, market and mobility trends will continue to change the way transportation and logistics operate. Continuous innovation with a focus on sustainability will not only enable ecosystem players to remain resilient and agile in the face of an ever-evolving last-mile delivery landscape, but also ensure our cities are more livable, efficient and future-ready.

It's an exciting future where we look forward to helping turn growing concerns into sustainable solutions for our country.  ${\color{red} \boldsymbol{\cdot}}$ 



Read the full report, Last-mile delivery in Canada: A sustainability perspective, at canadapost.ca/ SustainabilityReport.





Kid's Stuff wants to bring every customer along as they redefine children's fashion

#### Mary-Jo Dorval loves to break fashion convention.

"This is us – we create these modern, timeless styles supported by our values advocating gender equality that, hopefully, appeal to the new generation of parents who want to instill values of ecology and equality to their children," Dorval explained.

Whether erasing gender norms or promoting sustainable fashion sense, the Kid's Stuff founder cannot get excited enough at the thought of redefining fashion one collection at a time. But, truth be told, she is also totally cool if you buy her clothes just because you think they are cute.

#### Changing clothes for the better

Dorval has had a passion for children's clothes since she was a child herself.

Even without her own sewing machine as a young girl, she still cobbled together original fashions for her dolls, designed and created from fabric odds and ends, mixed with tissue paper and anything else her mom left unsecured around the house.

Along with her friends, their work was often featured in fashion shows and magazines also of their own design.

"I guess that little girl never left me," Dorval said.

At 19, she started taking courses in fashion and, later, fashion commercialization where she blended the art and commerce of her passion. Soon, she started selling in pop-ups and markets, first with women's clothing and then with children's.

While the women's market was crowded with competition, Dorval saw a need within the children's clothing market – saturated with overly logoed and gendered styles made from poor-quality materials. Thanks to the encouragement of friends and customers, she dedicated herself to changing that market.

"I knew something was missing. So, I started researching to see how I could create simple and functional items for children that would make parents' lives easier and encourage a conversation on gender stereotypes."

We create these modern, timeless styles supported by our values advocating gender equality that, hopefully, appeal to the new generation of parents who want to instill values of ecology and equality to their children.

55

26 / Ecommerce Insider Spring 2022

– Mary-Jo Dorval, Kid's Stuff Founder

#### **Growing an integrated brand**

Today, Kid's Stuff (Trucs d'enfants) offers genderneutral and grow-with-me children's clothing, handmade in Montreal with environmentally friendly fabrics. Although primarily focused on kids' clothing, the brand expanded into a small selection of adult wear, as well.

Launched in 2016, Kid's Stuff works from a space located off Chabanel Street, in the heart of the Montreal garment district, where Dorval oversees the design and production of her seasonal collections. The Spring/Summer 2022 collection will be the brand's 12th.

That first collection featured pants, shirts and overalls in limited sizing for babies and kids up to 4 years old. At the requests of customers, however, further collections not only added new styles (e.g., shorts, dresses and accessories), but expanded sizing to include newborns and kids up to 8 years old.

The brand's ecommerce presence started on Etsy, but quickly migrated to Shopify for more flexibility. Now, they also use ShipStation to streamline time associated with fulfillment. The brand uses analytics from Google, Facebook and Instagram in order to better understand and target customers.

In addition to its ecommerce store, Kid's Stuff clothing is available in 30 retailers in Quebec, Ontario, Manitoba, Alberta and British Columbia, as well as in occasional pop-up stores mainly in Montreal and Toronto. Sales are evenly split between the three channels.

"There's an integrated effect," Dorval said. "All the three channels are linked together; one helps the other one."

I started researching to see how I could create simple and functional items for children that would make parents' lives easier and encourage a conversation on gender stereotypes.

– Mary-Jo Dorval, Kid's Stuff Founder

#### **Promoting a new way of thinking**

Kid's Stuff knows it is different from the competition – it was designed that way.

First, the grow-with-me clothes are, as the name implies, designed to grow with your children, as the garment's waist and ankle bands fold or unfold according to the child wearing it. Contrary to a normal piece of clothing, Dorval said, grow-with-me clothes last a long time, allowing parents to shop less.

Then there is the colour selection. Unwilling to accept the standard blue-pink dynamic of children's clothes, Dorval stepped away from the wild patterns, logos and gender-specific colours. She replaced it all.

Take the Fall 2021–22 collection, for example. The hues used for the shirts, pants and sets were inspired by the ingredients Dorval used while cooking in the kitchen during lockdown. That is how she arrived at a range of colours – from cookie, chocolate, and cinnamon, to caramel and macaron. (There is also the less tastily named navy available, as well.)

This is a popular draw for the collection now, but it was a new concept when the brand launched.



"Some people refused it at first," Dorval laughed. "But over time, people have become less afraid of the idea, accepted it, even. It was mainly the adults who were shocked about losing the gender-based colours. But really, all kids want to do is choose this colour or that colour for themselves. It didn't matter what colour it was to them so long as they loved it."

In addition, the material sourced for the clothing is ecological, but also comfortable and soft to the child wearing it – "sweet on the skin," as Dorval describes it. That is what drove her initial choice to use bamboo and now lyocell.

"The reasoning behind these choices has taken a lot of education," Dorval admitted. "But it's all about creating a culture where the kids have the choice. What is the best thing we love about kids? They are 100% full of liberty, full of passion, and no judgment."

#### **Creating a brand for everyone**

Simply because Dorval thinks the way she does, doesn't mean she expects the same from you.

"Kid's Stuff is not a niche brand. I might be doing it for ecological reasons, or for gender-inclusivity reasons, or for comfort reasons, but I know people will buy it for their own reasons: because it's cute, because it's non-gendered, because it's creative, innovative, or different from what they could find at a big box store," she explained.

That diversity is reflected in the brand's feedback and reviews, among which equal numbers mention the comfort, fit, expandable sizing, and website's ease of use, as mention the commitment to sustainability and gender neutrality.



Over the next five years, Dorval plans to scale her operations in the number of collections and garments as well as people on her team. In addition to opening her own boutique store in Montreal, she also looks to grow the brand nationally and internationally, particularly in the United States.

And she is happy to have every customer along for the ride.

"My customers don't have to be niche customers," she continued. "It's nice to have some who believe in sustainability, for example. But it is also nice to have customers who buy it because it is a good brand with nice products. I don't have a specific clientele. Just because I created it this way and I believe in that, doesn't mean everybody who buys my product will agree with me. Maybe they will buy it because it is simply beautiful."

trucsdenfants.com :



Key Takeaways 01

Even traditional industries have gaps begging for innovative brand thinking.

0)2

Integrated channels can help drive each other and get the awareness you need to increase sales. 03

Living and promoting brand values can still be inclusive for all shoppers.

# **Sweet relief**

JACEK Chocolate Couture leans on strong brand identity to navigate changing customer behaviour over the holidays

### Ask Jacqueline Jacek and she'll tell you that it was never about the chocolate.

"We're a joy company – we're not a chocolate company," said the founder of JACEK Chocolate Couture. "Joy is needed now more than ever and I'm optimistic that need will continue. We have experienced a massive shift with people wanting to support local. It's our responsibility as local entrepreneurs to make it easy for consumers to choose to buy local versus anywhere else."

From the start, self-awareness has been a key ingredient of JACEK's success – they know who they are and what they do. It's a brand attribute Jacek credits with not only helping her team navigate uncertainty but also one that makes her wildly optimistic about the future.

"Ultimately, we deliver on our promises to customers by focusing on our core business. We don't step out to try and do everything. We're not for everyone – and that's okay. We understand what we do well and what we can execute on, and we say 'no' to anything we aren't 100% confident knowing we can deliver on," Jacek stressed.

"We're really proud of knowing our values and sticking to them. It's what gives us confidence."

#### Local and thoughtful

In 2009, JACEK started as a home-based business with big dreams of transforming the chocolate industry. Combining Jacek's love of fashion and chocolate, the Edmonton-based artisanal chocolate company creates fine, eye-catching chocolates, often with a seasonal theme.

JACEK's operation includes retail boutiques, an ecommerce site, and a production facility, with wholesale partners across Western Canada. Its chocolates are sold in 50 different Canadian retail locations – in Alberta, British Columbia and Ontario.

They are a "local and thoughtful" brand, Jacek said, one that acts locally and thinks globally by including sustainability and ethics in every aspect of the business.

"It's all part of constantly building (and maintaining) credibility with customers," she continued. "A big part of that is communication with our customers – communication is a two-way street. We've asked our customers, 'How can we serve you better? How can we make the experience of engaging with us the same across channels?"

One of the big responses to those questions involved the ability to pick and choose flavours in a box of chocolates. That option was available for (and popular with) in-store customers, but not so for online shoppers who selected from pre-set collections. As a result of the request, however, new technology was implemented to make choice available across all channels.

#### **Shifting seasonal tastes**

As a luxury brand, JACEK knows it needs to respond to changing customer behaviours to the point of evolving in real time, Jacek said. Take how the brand now approaches preparing for the holiday season.

"Since 2020, one of the biggest lessons we learned is that people will still buy luxury chocolate, which was a massive surprise – and massive relief – to us.



We didn't know how people would react. We were underprepared for that. We weren't ready for consumers to be so excited to buy locally, to be so ready to engage with us."

That was especially true for the holiday season, where the brand saw a continued desire for its product, but was confronted with a consumer who purchased from them in new ways.

Traditionally, summers were a slow season, a time filled with small projects for the team. But in 2021, the brand completely wiped the summer slate of mini-projects clean to focus on the holiday season.

"Consumers are now far more organized in buying than they have been in the past. Previously at the holidays, we would see a ramp up and get completely slammed by the 15th of December, whereas, in the last two years, there's been a slower gradient. The onslaught is no longer happening."

In 2021, that holiday season focus resulted in a 31.3% increase in seasonal sales year over year. Given those results, the same strategy was implemented for 2022. JACEK will also add a customized gifting program geared toward large companies, as the shopper shift to 'buy local' has magnified the desire for corporations to follow suit, she said.

Beyond the longer runway for holidays – not just Christmas, but Valentine's Day and Easter, too consumers are far more prepared even before coming into a retail store. They've done their research online; they know what to expect; their time in-store is so much shorter than it used to be.

"But making buying from a local company as easy as possible was our ultimate goal," Jacek said.

Shifts like this don't happen without a deep understanding of your brand - and for JACEK, that has been the key all along.

"For us, we're banking on our core business and knowing what we do well to contribute to our success for the future," Jacek said. "That's what we focus on."

jacekchocolate.com :



### Key **Takeaways**

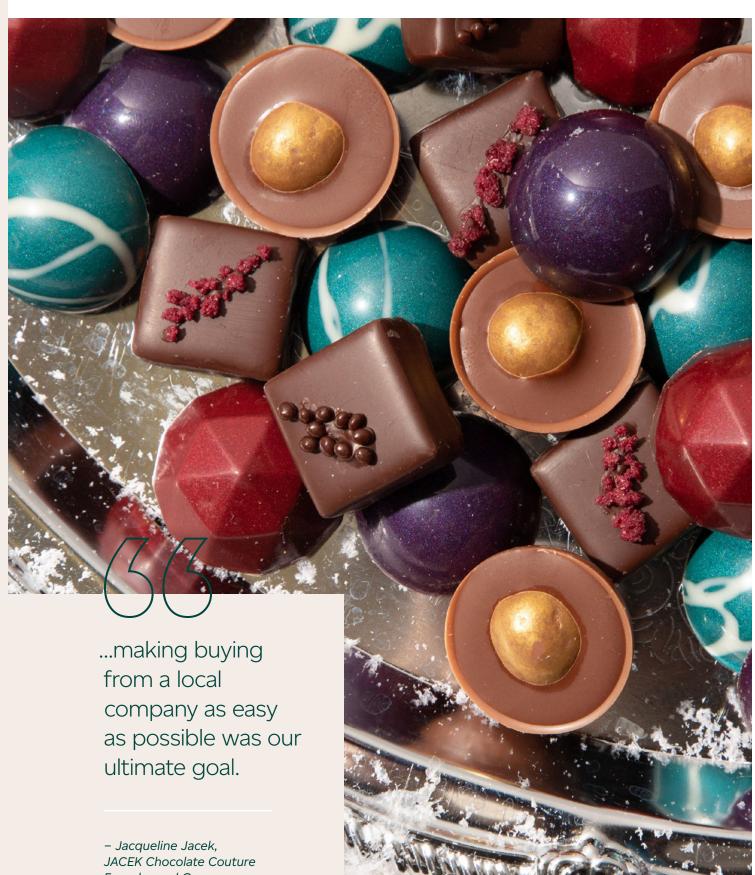


Know your shopper, their behaviours and habits to better prepare and execute peak selling seasons.

Maximize your business impact by starting your holiday season strategy - from planning to promotions - early.



Regularly communicate with your customers to get a sense of what they need from your channel experience to enable choice and identify growth opportunities.



Founder and Owner

# Sounds of the season

It is always the season to be thinking about the holiday season.

Canada Post recently surveyed 1,500 consumers from across the country seeking their thoughts on holiday shopping (both in-store and online), what they're looking for from retailers during the hectic season, as well as how their holiday shopping habits have changed in the last few years.

What they told us offers brand insights into how to shape their strategies toward creating a successful "retail golden quarter" – the kind of insight that rings in any season.



## Peak season is beginning earlier and lasting longer

Ecommerce has redefined how consumers shop in both the physical and digital worlds. Consumers aren't confined by the boundaries of Black Friday and Cyber Monday – they're deciding when and how they browse and buy. Brands need to be ready to meet their shoppers whenever and wherever they are.

47%

of Canadians completed their holiday shopping early because they were worried about item availability and low inventory.



of Canadians picked things up for people all year long.





of Canadians started shopping in September and October.





of Canadians waited for Black Friday and Cyber Monday sales.





of Canadians waited until closer to Christmas.



## Value-conscious shoppers are increasing in numbers

Consumers are increasingly aware that their buying decisions can make a positive, meaningful impact on the world. Younger consumers, in particular, are migrating toward brands that build ethical, authentic practices into their business practices.

1 in 4 3

Shoppers were aware of Giving Tuesday.

**39%** of aware shoppers donated to a charity or non-profit.



? **Giving Tuesday** is a global generosity movement that takes place on the Tuesday after Black Friday/Cyber Monday when charities, companies and individuals rally for their favourite causes.

## Shoppers continue to raise expectations of brands

Shoppers want the entire purchase journey to be easy, convenient, transparent, and full of choices. Enhancing your infrastructure, adapting new features and capabilities and synching online and offline inventory will help you stand out and get the sale. This may require (often substantial) investment. But once you determine what is feasible (both in cost and timeline), the results will go a long way in securing customers.



of shoppers said retailers did not offer any experiences to make holiday shopping easier in 2021. Online shoppers had a number of suggestions for making holiday shopping easier:



**Back-in-stock alerts** 



Virtual chat with a salesperson



Waitlists for hard-to-get items



Store pickup and/or delivery of in-store items

#### Think omnichannel marketing

Shoppers demand you meet them where they are, when they need you. Appearing on the right channels can make an impact on your discoverability and engagement. But how do you do that? Leverage industry research with your customer data to understand where holiday shoppers are coming in, where they drop off, and how to get them back. Several factors influence online holiday shoppers when it comes to making a purchase:



Results from a web search



**Word of mouth** 



Promo or ad received via email



Loyalty programs offered by retailers



In-person at their physical store

#### Hybrid shopping is here to stay

Retailers must adapt to hybrid shopping models. Online shopping and its appeal is here to stay, but the in-store experience still matters. "Shop your way" messaging encouraging all avenues of purchasing will continue to resonate. Nobody's giving up choice.

During the holiday season in 2021, there was nearly an even split between in-store and online purchases.



in-person in-store.



online for delivery.

In 2022, shoppers expect to make even more holiday purchases online for delivery, with a massive shift predicted for curbside pickup.



expect to make more online purchases for delivery in 2022.

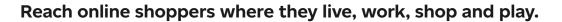


expect to make more in-person in-store purchases for delivery in 2022.



expect to make fewer or no purchases online for curbside delivery.

Home is the new opportunity **Direct mail** gets you in.



It's being called the decade of the home. Decisions, loyalty, brand preferences it all happens under one roof. Reach audiences where it matters most using direct mail powered by Canada's largest geolocation database.

**Connect. Captivate. Convert.™** Learn more at canadapost.ca/smmhome



<sup>™</sup> Smartmail Marketing and the Wing in Circle Design are trademarks of Canada Post Corporation.

# Indigenous ideas. Innovating tradition.

Aurora Heat carries forward family tradition by educating shoppers on the sustainability of fur

## The Northern Canada traplines were lifelines for Brenda Dragon and her family.

Growing up in Fort Smith, Northwest Territories, Dragon watched as her parents, David and Jane, dressed the family of six in wild furs from those lines. These were healthy, outdoorsy kids who never knew the bite of 40-below temperatures thanks to the fur hats, mittens, moccasins and parkas mom made. Beyond the warmth, the money generated from the traplines gave the family those extras that make life special.

"My father was known to be a gruff man, but when he was working with furs, he was really peaceful and content. I got to spend time with him when he was that way. It was special to me," Dragon said. "My mother was the same when she was sewing the furs. You can't be stressed or angry doing these things. Fixing the furs at home was calming. That's what it meant to our family."

Today, Dragon carries on her family tradition with Aurora Heat, a brand that promotes the traditional use of fur while educating shoppers about what sustainability means in the modern world.

#### **Carrying a legacy forward**

It all goes back to family for Dragon.

"When my father passed away, I thought a lot about my parents' remarkable life together, the traplines, and the beautiful fur he gifted us," Dragon said. "I thought about how fur endures time; I longed for a way to carry on the family tradition. I wanted the world to see that trapping is a positive connection to the land."

In 2015, she created Aurora Heat to carry forward that legacy.

The brand aims to support Genuine Mackenzie Valley Fur and NWT beaver pelts to create a line of practical and sustainable products with the most popular being hand and foot warmers for adults and kids. The dense beaver undercoat is designed by nature to be warm, lightweight and durable – the ultimate protection from cold, Dragon explained.

"It's utilitarian, but there's also a real beauty. It's a natural product that has this incredible longevity. The people who bought the very first warmers seven years ago are still keeping warm with them today."

Operating out of a 1,000-square-foot workshop in Fort Smith, Dragon is the company's creative engine, designing all the products currently in production, plus a backlog of a dozen ideas yet to hit the market. Each has the goal of helping people keep warm, keep healthy and/or improve their mental health.

That last one might surprise people, Dragon said. But she hears from customers who embrace the warmers as a soothing connection to the natural world.

"Sometimes it's the only natural thing a person has. Maybe everything they are wearing at that moment is synthetic, but this little square of fur of ours is their connection back to nature," Dragon said.





#### **Growing sales and community**

Nearly three-quarters of early sales were driven by products sold via Yellowknife retailers to the 20,000-plus Aurora Borealis tourists arriving in the region every year. But when the pandemic hit in March 2020, and the borders closed down to tourists, the brand recommitted to its ecommerce presence.

In the first year of lockdown, online sales grew 10-fold and overall revenues tripled.

Shopify has enabled Aurora Heat's ecommerce growth by allowing the team to seamlessly build a new website without outsourcing design development. The brand also uses numerous apps within the platform to handle email marketing, customer review aggregation, translations and currency exchanges.

The Aurora Heat team continues to generate interest in the brand through social media and paid/organic campaigns to drive people to the website, including tapping into key search terms.

"You wouldn't believe how many people Google 'hand warmers," Dragon laughed.

But that commitment has landed the NWT company on the first page of Google search results for "reusable hand warmers" in both Canada and the United States.

The brand also drives awareness through partnerships with organizations like Snowboard Canada and Nordic Canada.

Aurora Heat has more than 300 five-star reviews. In fact, the overwhelming feedback inspired a branding change for the company – "authentic Canadian hand warmers" now reads "Canada's most loved hand warmers."

"I find that people want to share. They took a risk and tried our Northern way of keeping warm; we keep hearing how they loved the product and that they tell all their friends," Dragon said. "Customer service has been a big part of this business right from the beginning. We enjoy connecting with our customers in meaningful ways."

65

It's important to me that we are introducing people to a way of life in the North. I try to share what it is we're trying to do and why. That resonates well.

Brenda Dragon,Aurora Heat Founder

#### Committing to sustainability

Dragon knows fur isn't popular with everyone and that it can generate a lot of hate. She has heard it. But instead of bristling, she tries to educate.

"I grew up with the Indigenous worldview that holds deep respect for the land and animals," she explained. "Trapping and harvesting fur are part of that relationship in our interdependency with the natural world. I'm proud my business reflects this and sustainability practices that cultivate abundance – from how we source our furs, to the delivery carrier we use."

The brand ships in simple, minimal packaging of recyclable, lightweight cardboard and paper inserts. The ornamental pieces in their collection (Christmas decorations and earrings) are not frivolous asides but are created in an effort to use the whole pelt. Zero waste.

Part of her sustainability commitment also involves creating positive impact in her community. In the NWT, upwards of half of Indigenous women are unemployed, so the 10 Indigenous women in the Aurora Heat workshop in a small town of 2,500 people make a difference.

Aurora Heat has also developed a strong <u>social</u> <u>impact program</u>, where a portion of every purchase goes to on-the-land initiatives for Indigenous youth, educators and knowledge holders. From supporting programs like <u>Bushkids NWT</u> and the <u>Child & Nature Alliance of Canada</u>, the brand makes a powerful, public statement about its commitments.

"We need to return to simplicity as much as we can and rely on natural products. If we ask that of our customers, we need to model that in our business practices."

Perhaps that's why the company website does more than simply sell – it delivers stories about the brand's commitment to the land and its people, and brings the story of the products and Dragon's family to life.

"It's important to me that we are introducing people to a way of life in the North. I try to share what it is we're trying to do and why. That resonates well," she said.

"When people read the story, and understand it, they gain confidence in our products. It's also a step toward reconciliation. It is very clear that they're buying an Indigenous product that is the result of thousands of years of Indigenous cultural knowledge. That's what we're offering. People are accepting our fur products and holding them in their hands to keep warm. It's very personal."

#### auroraheat.ca :







01

Educating shoppers is a key piece of your sustainability journey.

02

Collaborative partnerships remain key to reaching new customers and making an impact.

03

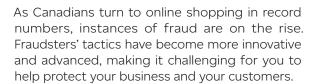
Owning the search space around the right key word search terms can position your company for success.

**40** / Ecommerce Insider Spring 2022

4

# **Preventing and managing** ecommerce fraud

Industry experts reveal what you need to monitor and consider when it comes to ecommerce fraud and security



Safety first: Preventing and managing ecommerce fraud explores how fraud has infiltrated the ecommerce customer journey – from checkout to returns - and the steps you can take to recognize, reject and report fraudulent activity.

We've gathered three industry experts to break down the key factors you'll need to monitor and consider when it comes to ecommerce fraud and security. Here are five soundbites from the conversation:

**Guy Paul Larocque** | Acting Officer in Charge, Canadian Anti-Fraud Centre,

Jean Yves Riverin | Senior Advisor, Strategic Fraud Threat Intelligence, Desjardins

Rui Rodrigues | Executive Advisor, Loss Prevention & Risk Management, Retail Council of Canada

#### How can merchants protect themselves from payment card fraud?

RR Businesses should start by conducting a risk assessment and set their tolerance. A lot of companies don't necessarily do this. You can't just avoid fraud, so it's important to have a position: Are you risk-tolerant or risk-adverse? How much risk is the business actually willing to take to compete in today's marketplace? Once decided, make sure that everybody knows that strategy so you don't have people working at odds internally.

Then educate – educate front-line workers and employees, focus on common trends and common scenarios, such as phishing, social engineering attacks, brute force or hacking attacks. For example, everybody should be aware of what a phishing attack looks like and the most common things used.

Be vigilant for unusual behaviour. You know, the fraudsters are very good, so look for unusual patterns such as the number of chargeback requests by a certain customer; multiple login would indicate people are working in collusion from the same place.

These are all things that organizations should be working on with their IT department and the person who supplies their ecommerce platform for the company.

**GPL** We cannot completely avoid fraud. That's one thing that we need to keep in mind. Criminals will continue to find clever ways to target you. Regardless of all measures you take to avoid fraud, fraud can still find you. But should it happen, it is important to report these fraud incidents.

By reporting incidents to the Canadian Anti-Fraud Centre (CAFC), you contribute to valuable fraud intelligence used to establish criminal trends. We can assist law enforcement agencies investigating fraud with that information and raise awareness to the public. The CAFC, in conjunction with private sector partners, also run disruption initiatives to target the tools of the scammers.

#### Why is there nothing friendly about friendly fraud?

the bank to dispute the charge. In many cases, the

individual is complicit and benefits from filing a fraudulent chargeback. In some cases, there might be somebody in the household who uses a parent's credit card. The parent doesn't recognize the charge and they contact their bank. This is more where the "friendly" term comes from.

Companies have often given the customer the benefit of the doubt; they don't have the time or money to fight chargebacks and the problem continues to grow. With the emergence of ecommerce, friendly fraud is certainly growing to be a disproportionate amount of the fraud that is occurring online.

Steps that businesses can take: Make sure what appears on the credit card statement states your company name. Blacklist customers who file chargebacks and monitor for chargebacks. Notify your customer when you process their order and before and after processing the payment.

#### How is returns fraud impacting a merchant's bottom line?

**RR** Going to the gala? Need that tux or that fancy dress? They'll wear it once and return it. This is not new; it has been going on forever. However, with



online, it's much easier, and the perpetrator feels safer because they don't have to face somebody in the store. The package comes to me, I use it, and send it back. It makes it easier for people to do it because there is less friction.

Have a very clear return policy. Ensure it stipulates what customers can and cannot send back, what supporting documents are necessary, and make sure that your return policy is on your website and easily visible to everyone. You don't see that all the time. Sometimes it's in the small print.

Ensure that refunds only go back to the same method of purchase. Don't facilitate somebody who wants the credit card purchase returned to a gift card or things of that nature.

Set protocols for your teams who are facilitating the returns. Which refunds get approved? Are there friction-free refunds for loyal customers? Are there approvals that go to store credit? Are there packages that need to be reviewed before a refund? Are there ones that are outright declined?

Have a strategy, and these are some of the basic things that should be in place, and those folks who are dealing with it in those areas should be familiar with the steps to follow.

JYR Financial institutions are key partners in preventing fraud because we need to obtain information. Your ecommerce payment provider is also your key partner. They are the front line of your business and with your shoppers. So, depending on the agreement, they may have options and robust solutions that can help. Some have the capabilities required to identify the request before even sending the product over or attempting the transaction. So with these types of partners, you can obtain a lot of information.

Everyone needs to work together; you are not alone. Share this kind of information so everyone will be able to mitigate this type of fraud at a global scale.

Interviewed by Rita Estwick, Director of Security Fusion Centre, Canada Post

Watch the full conversation at canadapost.ca/SecurityWebinar.

# How the right delivery partner can help



#### **Manage fraud with Package Redirection**

This tool allows you to redirect products purchased through fraudulent credit cards before items get into the wrong hands.



#### Offer alternative pickup options

Put your customers' minds at ease by offering a variety of options for how they receive their purchases – from store pickup to other specialized options like FlexDelivery™ and Deliver to Post Office.



### Use address autocomplete to avoid human error

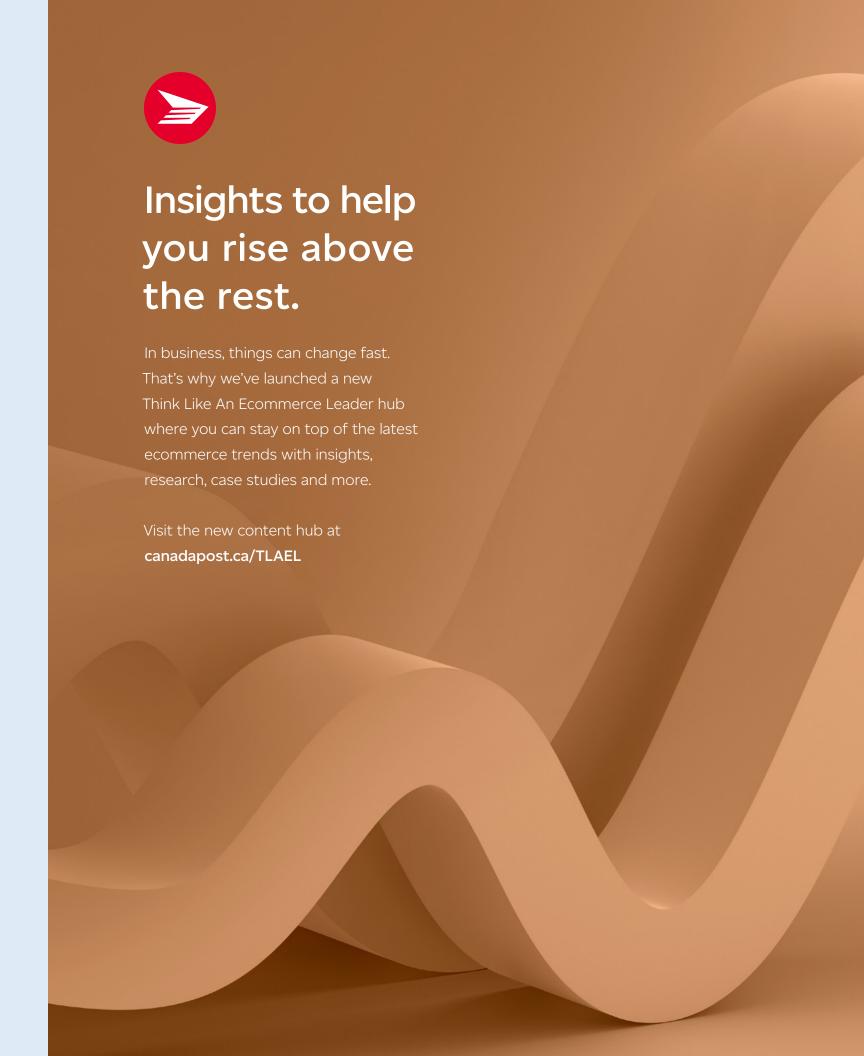
Tools like AddressComplete™ can help you validate your customers' address as they type it out at checkout.



#### Secure delivery in parcel lockers

Parcel lockers offer a secure and convenient delivery experience for Canadians living in apartments and condos.

For more solutions and tips for how Canada Post can help protect your business and your customers, visit canadapost.ca/security.



# Read. Watch. Listen.

Read. Watch. Listen. explores what business leaders tap into in order to educate themselves, further their brands, or simply find a bit of relaxation and enjoyment.



#### READ.

I am currently reading two books (as I often do). I love to have a fiction and a non-fiction book on the go. For my non-fiction book, I am re-reading Atomic Habits: An Easy & Proven Way to Build Good Habits & Break Bad Ones by James Clear. This book has great tangible tips on how to change your life by making tiny changes. I find these tips so helpful in business and in my personal life. My current fiction read is Moon of the Crusted Snow by Waubgeshig Rice.

#### WATCH.

Time for entertainment is limited while running a growing brand and raising four young children; I don't often indulge in a show but I love a great comedy, drama or documentary. Some recent favourites are *My Octopus Teacher* and *tick*, *tick* ... BOOM!

#### LISTEN.

I am listening to an audiobook called *Profit First: Transform Your Business from a Cash-Eating Monster to a Money-Making Machine* by Mike Michalowicz right now. Learning about new business strategies never gets old and I love passing on knowledge from our nine years of business to other small businesses.



KONSTANTYN KOPYSTYNSK YVR COOKIE, CO-FOUNDER

#### READ.

I do most of my reading on Reddit. I like that you can find good crowdsourced information on anything; there are many different communities that have information on every topic and interest. The communities I spend most time reading on are related to finance and business. For finance, I mostly use it to find stocks to day trade and research companies to invest in. For business, I mostly use it to read new things that other businesses are trying and where they are finding successes with different business strategies.

#### WATCH.

I'm currently watching a lot of Pixar movies for the first time. As a kid, I didn't watch a lot of them. My brother and best friend were pretty surprised to hear I hadn't seen the movie *Inside Out*. Of course, we immediately watched it together. Since then, I've watched *Up* and *Coco* – and, I'm proud to admit, I cried at every single one of them! Those movies are truly incredible.

#### LISTEN.

I find that I focus much better when I put my headphones on and listen to music. If I'm having a hard time concentrating or wrapping my head around something, I put on some fast-paced music. I mostly listen to mainstream music, so I'm usually playing songs from the Top 50 in Canada on Spotify. Right now, my go-to songs when I need to put my head down and focus are *Collard Greens* by ScHoolBoy Q and *Where Are You Now* by Lost Frequencies and Calum Scott.

#### READ.

I don't normally read a lot of physical books, but I love listening to audiobooks or podcasts. The current book I'm on is called the *Comeback Quotient: A Get-Real Guide to Building Mental Fitness in Sport and Life* by Matt Fitzgerald. It covers the stories of multiple athletes overcoming setbacks or injury and their mindset toward it. I'm heading into my first competitive season in track and field after a six-year break – this book is making the experience a lot less scary.

#### WATCH.

I've recently been loving *Bob's Burgers*. It's funny and lighthearted, which is great for winding down after a busy day.

#### LISTEN.

I've been bingeing episodes of *Crime Junkie Podcast* while test baking or driving. I've always been really put off from graphic/murder coverage documentaries or TV shows as they freak me out. This podcast has a really approachable and much less scary way of bringing attention to unsolved murders and crimes that I love.

### MONIQUE LISEK YVR COOKIE, CO-FOUNDER



# Sounding the alarm

#IveGotYourBack911 uses retail operation to respond to a growing need

A pair of paramedics who make a career of helping others in need immediately recognized the growing crisis among their ranks. Fellow first responders across the country were suffering from a dramatic rise in mental health issues, leading to burnout, substance abuse, and even suicide.

It was a dangerous situation with no alarm sounding.

That's why in 2014 paramedics Jill Foster and Shaun Taylor launched a social media awareness campaign organized around the #IveGotYourBack911 hashtag. Their goal was to provide a safe community where first responders could share resources and offer support about their daily challenges.

From that online campaign, an unexpected retail operation arose after the pair produced a small batch of T-shirts adorned with the hashtag logo for their co-workers. When those co-workers shared pictures of themselves wearing the shirts across social media, an influx of inquiries flooded in from agencies asking where to buy their own.

Today, #IveGotYourBack911 has developed into a recognized global brand, retail operation, and charitable trust based in St. Thomas, Ontario, that provides financial aid to organizations supporting the mental health of paramedics, police, fire, and other first responders across Canada.

The group's rapid growth in popularity (and orders) was not without unexpected challenges. Weekly trips to the local post office were taking hours to complete, as up to hundreds of packaged orders needed to be addressed by hand and mailed at the counter. Even after shipping, the process was cumbersome. Something as simple as confirming a customer's tracking number required someone to look down a metres-long receipt for one particular order.

"We were mailing so much product, but we were doing it in this old school way," Foster said. "We're paramedics; we didn't know the first thing about any of this."

The local Canada Post depot superintendent recognized the challenge facing the organization and put them in touch with a Canada Post representative to help. #IveGotYourBack911 found almost immediate relief thanks to Canada Post's tools, integrations and dedicated support that helped them run their ecommerce operations smoothly.

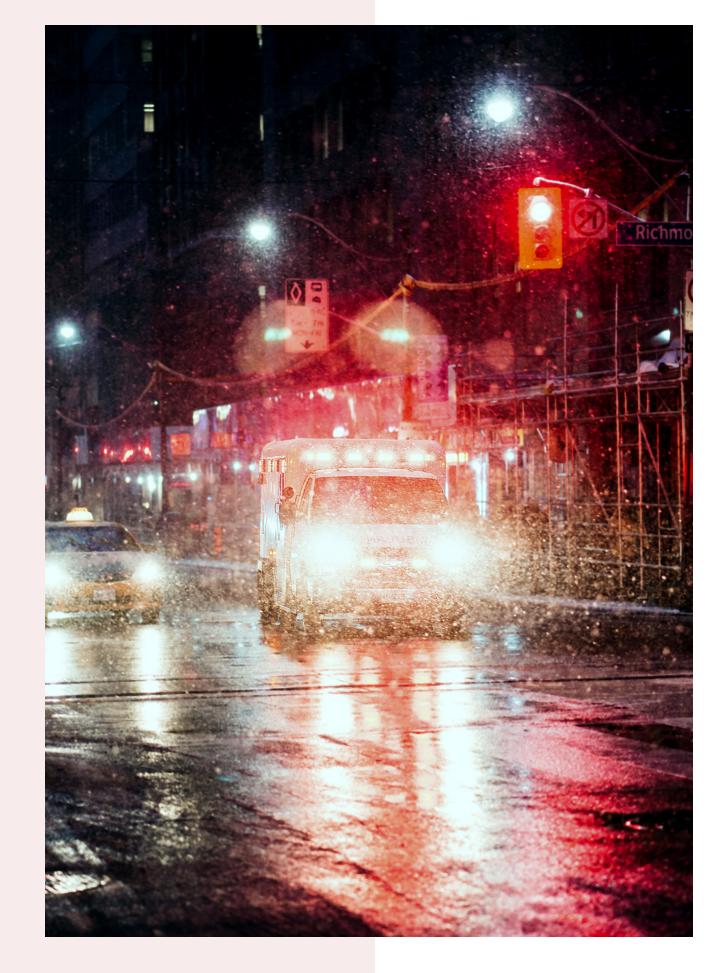
Leveraging Canada Post's partnership with third-parties such as Shopify and ShipStation, #IveGotYourBack911 optimized its shipping. Today, orders go out via regular pickups at its retail store and warehouse. Labels and tracking are no longer a burden. The organization's 10 full-time employees have access to a Canada Post dedicated support team whenever questions arise.

With the infrastructure now in place, #IveGotYourBack911 can capably handle the rising demand for its products from first responders around the world.

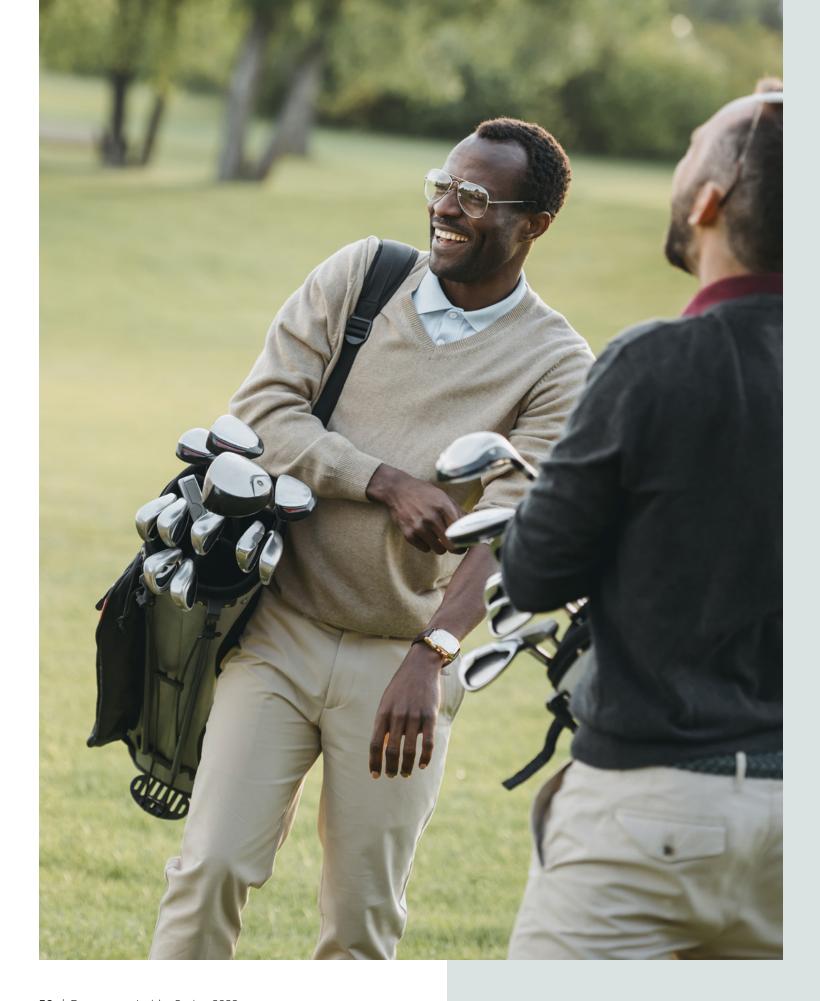
Support from Canada Post has also given the #IveGotYourBack911 team time to focus on expanding product lines and partnerships with everyone from coffee makers to CFL teams. Thanks to these efforts, #IveGotYourBack911 has donated upwards of \$500,000 thus far in its seven years.

"Success can be measured in a lot of ways – how much money we raise, how many service dogs we supply, how much PPE we donate, on and on," Taylor said. "But we are humbled every day to know we are part of making positive changes in people's lives."

ivegotyourback911.com 🗧







# **Driving** results

Golf Town tees up data and targeting to convert online browsers to in-store shoppers

Golf Town is the largest specialty golf retailer in Canada, with 47 stores and an online presence at golftown.com. For more than 20 years, they have offered the quality gear, clubs, clothes and accessories that golf lovers need to make the most of the game.

The company's stores are more than places to make purchases. Golf Town gives visitors the chance to hit balls in its bays and putt on its greens, to road-test purchases before committing and to ask questions of the expert sales force, who share customers' love of the game.

While traffic to golftown.com was strong and steady, the company wondered if more visitors could be converted to in-store shoppers for the peak golf season. They also wanted to find new customers to experience the benefits of shopping in their stores.

A compelling website can generate robust traffic and sales, but could Golf Town convert online browsers to in-store shoppers? The sports retailer launched a triggered marketing campaign to find out.

Golf Town identified the most popular of its product categories – clubs, balls, shoes, apparel and bags. For nearly three months, visitors to those product pages were greeted by a pop-up window asking them to share their location information. If they clicked "yes," their location was captured.

At the end of each business day, Mitaa collected the addresses of those who agreed and printed 6 x 9 in. cards based on each of the five product categories. Each card contained an offer of \$25 off a \$150 in-store purchase or \$50 off a \$250 in-store purchase. Within three days of browsing the site, each visitor who opted to share their location information received one of those offers in their mailbox.

And the active golfers who weren't shopping at Golf Town? To track them down, the company teamed up with Pelmorex and used the "follow me" function on its weather app to aggregate user locations in real time. Golf Town geofenced their stores and Canadian golf courses. Pelmorex analyzed the data using their Location Insights platform, revealing golfers who didn't visit Golf Town stores.

Golf Town was already using direct mail media as an effective way to reach customers and drive business. Typically, when a new customer makes a purchase, they're asked for their postal code, which is then used to determine where to send flyers. By partnering with Pelmorex, Golf Town hoped to sharpen its geolocation targeting and send flyers to neighbourhoods with the greatest clusters of potential customers, explained Fred Lecoq, Vice-President of Marketing and Ecommerce at Golf Town and Sporting Life. It was a move that helped the sports retailer turn flyers from a retention tactic into an acquisition tool.

For the retargeting campaign, 40,000 cards were sent via Canada Post Personalized Mail. The offer could be redeemed at the Golf Town location closest to their address. The conversion rate was 3.17%, representing sales revenue of just over \$158,000. "That, in my opinion, is a great performance, knowing this was an in-store-only play," Lecoq said.

Redemptions continued throughout the 11-week campaign.

"We were able to determine that retargeting doesn't need to be seen as an online-only marketing tactic."

golftown.com :

# Brave new world (of ecommerce)

Goodbye, "catalogue website." Hello, metaverse. The internet is rapidly outpacing your granddaddy's storefronts – so learn to adapt if you want to keep up.

By David Nagy

#### Ecommerce is dead.

Not the actual act of purchasing goods and services online, mind you. That is stronger than ever. But ecommerce as a concept, a term, as a singular experience – is dead. As we emerge from the pandemic, the idea of ecommerce as a separate economic activity won't survive – and this is coming from a guy who founded eCommerce Canada (memo to self: consider changing name soon).

Look, we have spent 25 years trying to define what kind of businesses we run: Brick and mortar? An e-tailer? Perhaps a hybrid of some sort? That effort is not only unnecessary today – it is somewhat silly.

Your current and potential customers have been erasing lines for years now: lines between home and office, lines between online and offline selves, lines between commerce and ecommerce. It's all the same to them.

Your customers have moved on. They no longer care about where the economic activities take place. They only care about convenience – getting the right thing at the right time.

Despite the increased competition in the space, the must-have attributes of winning businesses are still the same – those who possess a key differentiator,



protect profit margins and reach new markets, win. To me, top of the funnel marketing is the greatest concern right now. Your customers (and potential customers) are awash in noise.

It's not that there is a lack of interest in your product. It's that there are too many retailers – and none of them have the proficiency or the cash to completely cut through the noise. This virtual shopping mall is chock-full of storefronts. Who wins?

There is a totally net new economy taking shape under our feet – one not rooted in the bricks and mortar of the physical world, but in emerging digital spaces where economic exchanges are for the benefit and enjoyment of our virtual selves.

Our virtual selves are a net new marketplace. There is a cohort of people for whom the physical world no longer holds the same appeal as acquiring goods for their virtual selves. Don't know what I am talking about? Think about everything from kids buying Fortnite character skins to celebrities investing in digital art on blockchain to everything in between.

What percentage of our dollars will that command? How much of your current spend will be spent there? We don't know yet.

But while your competitors are scrambling to win the day, you have a chance to cast your eyes to tomorrow. There are a number of emerging technologies and virtual spaces that offer concrete opportunities to drive growth in unexpected and creative ways.

We don't yet know. But we do know where the opportunities rest.

Three opportunities for tomorrow

So, where are those opportunities? Here are three places to look today for an edge on tomorrow:

**NFTs**. Remember when the world went crazy for tulips – so much so that the frenzy created the world's first speculative investment bubble that nearly collapsed the Dutch economy? OK, maybe you don't remember – that was 1634. But it happened – and it is happening again today, sort of, with the budding market for NFTs.

I know. The mere mention of that abbreviation (standing for non-fungible tokens) is enough to draw eye rolls from many. But for others, NFTs represent one of the biggest opportunities in ecommerce. These virtual assets provide options for makers to produce artifacts on the blockchain that appeal to affinity-minded consumers.

In addition to physical merchandise, NFTs offer the ability to expand your product offering at minimal cost and also control distribution. This ensures product scarcity and offers a host of new revenue opportunities. Articles like collectibles, digital assets, works of art, exclusives and personalized content are all potential product channels, but the technology is so new we're only beginning to explore the potential.

**METAVERSE**. The metaverse offers the next "blue ocean" of ecommerce opportunities, as we develop an entirely new economy to service this new demand. We are essentially becoming people with two "selves" – our physical (or realworld) self and our digital self. Both of these are consumers in their own right. Given the markup of metaverse communities, they are driven by two forces: social interaction and commercial activity. The metaverse is, by nature, almost entirely a commercial environment.

6

There is a totally net new economy taking shape under our feet – one not rooted in the bricks and mortar of the physical world, but in emerging digital spaces where economic exchanges are for the benefit and enjoyment of our virtual selves.

– David Nagy, eCommerce Canada Founder This will signal the biggest shift away from our familiar "catalogue websites" (which we may fondly refer to as "your grandfather's ecommerce store") into a universe of "on-demand" shopping that will definitely have a significant impact on consumer expectation. In the metaverse, we can purchase whatever we want simply by imagining our need for it.

THE TOKENOMICS OF THINGS: Tokenomics combines the words "crypto tokens" and "economics" to describe the supply and demand of cryptocurrencies. As cryptocurrencies are rapidly evolving and creating their own market influence, methods for measurement and liquidity need to evolve around them.

It's a concept that also needs to be applied to the nebulous world of digital artifacts. Without enough history to support conventional methods of valuation, we can expect to see the emergence of various marketplaces, applications and communities that guide consumers through the buy/sell process of digital assets.

How cryptocurrency contributes to all of this is fairly uncertain, despite the fact they are becoming far more mainstream. We still can't be certain about their liquidity and whether or not regulation is on the horizon – but crypto will certainly grow as a payment option in the digital economy.

#### **Problems to solve**

These opportunities are not without risks – there remain a lot of unknowns: How do we place value on these things when there isn't enough history to go on? How do we build environments to sell these goods? How do the physical and meta worlds interact, and what data points can be used to connect customer experiences? How will product data as we currently know it need to adapt to be useful in new tech environments?

My 16-year-old son and I watched a movie from the 1980s recently. As the opening credits rolled (and rolled and rolled), he turned to me bewildered. "Dad, what is going on?" It occurred to me he may have never seen such a monotonous start to a film; I could see he was trying to wrap his head around the inconvenience of it all.

This is really no different than the literal "Sears catalogue-style" websites that we've created to enable ecommerce. Tomorrow's customer will want everything on demand, backed by behavioural data that offer us what we want before we even know it ourselves.

And you know what? The internet may be better for it.

So, with a sentimental nod and a celebration of a life well lived, let's say our good-byes to our old friend ecommerce and embark on a new way of doing things. Perhaps we will call it "MEcommerce" because it's all about frictionless experiences and merging digital and physical channels into one.

David Nagy is a recognized entrepreneur, consultant, corporate trainer and keynote speaker with more than 15 years of helping retailers accelerate businesses in ecommerce and software-as-a-service. He is the founder of eCommerce Canada. He has worked with some of the world's most compelling brands, including Bayer, HBO Comedy, Virgin Mobile, Wendy's and General Motors.



#### **WATCH DAVID ON DEMAND**

David Nagy, eCommerce
Canada Founder, recently
joined Canada Post on a
virtual stage for our webinar,
Unpacking the shopper's journey:
A roadmap to success.
Watch it on demand at
canadapost.ca/
JourneyWebinar.

# Become an Insider



Are you shaking up the status quo?
Bringing a fresh take to business?
Or do you simply have an amazing story to share?

Ecommerce Insider wants to hear from you.

Share your story with us at canadapost.ca/InsiderSubmission.

