INCITE
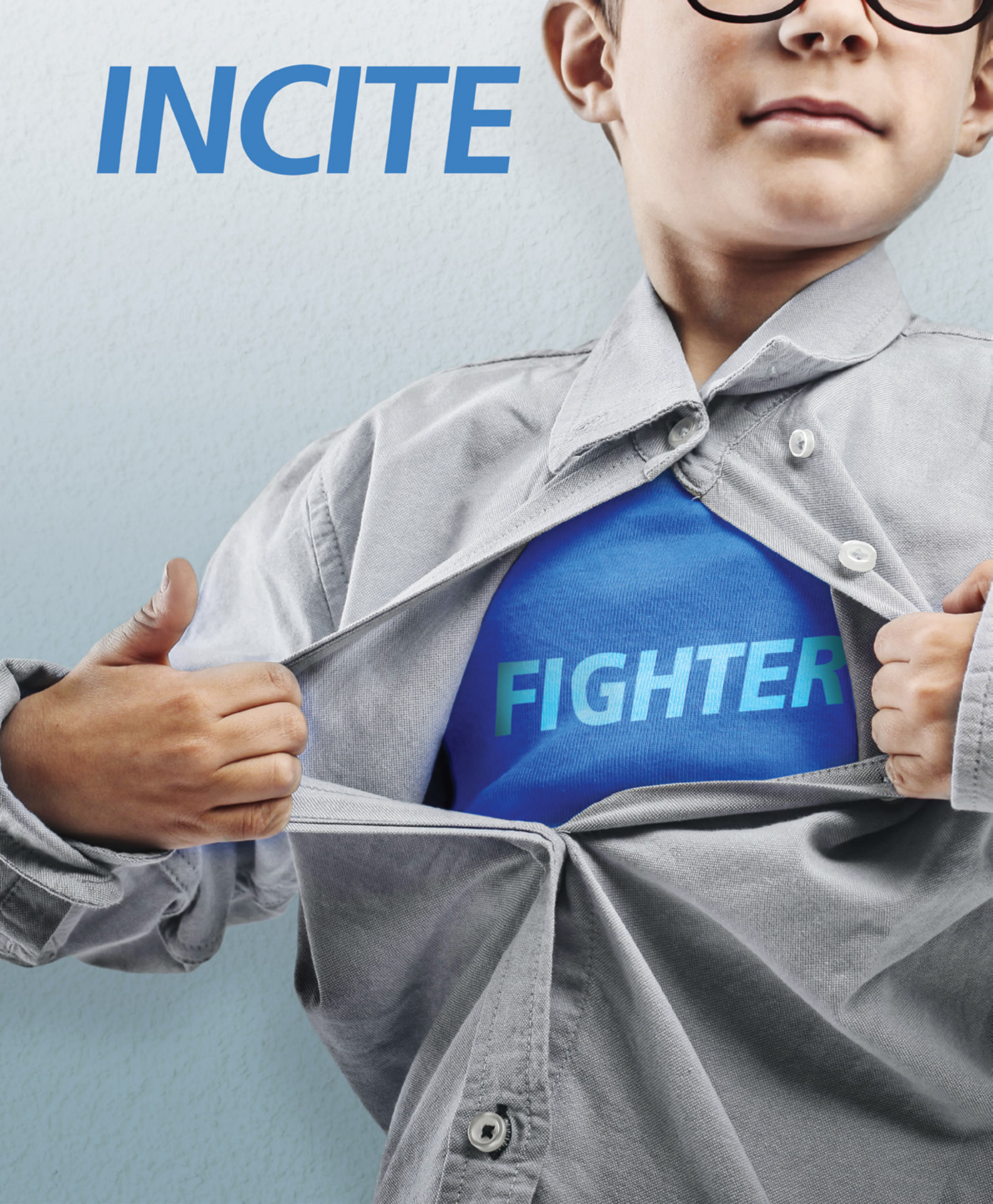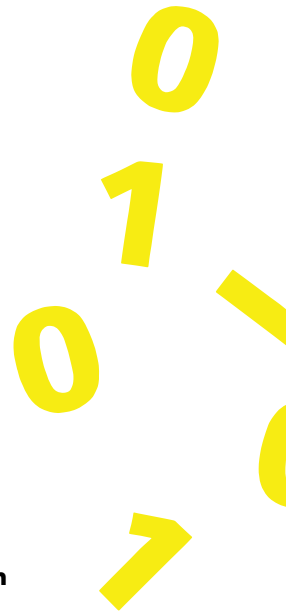
INCITE

ABOUT THE COVER

Abandoning "sadvertising", SickKids Foundation created a new brand platform that threw down the gauntlet and challenged people to join a fight that has changed the face of fundraising from fearful to fierce.

Armed with a performance mindset, *SickKids VS* challenged people to join their fight. Patients were transformed from victims to fierce crusaders and superheroes as the VS platform shifted perceptions and evolved from campaign to campaign.

THE MY NAME IS NOT DATA ISSUE

IDEAS FOR INCITING ACTION WITH DATA

If you're tired of hearing about data and feeling blinded by science, then repeat after me: Data, data, bo-bata, bonana-fana fo-fata, fee fi mo mata – data!

Now ask yourself: What is data?

Data isn't new – there's just more of it and we can do more with it. And that's pretty awesome. It's the pervasiveness that makes us feel like we don't really know what to do with it. The word itself gets tossed around so frequently that we stop thinking about what we are really talking about.

We talk about data like it's an entity unto itself. Like it's the all-knowing wizard behind the curtain, magically able to bestow upon us marketing certainty.

Technology can put data to work for us like never before – that's a gift. But we are wasting that gift – and time and money on it – if we aren't giving it what it needs.

And what does data need that only a marketer can give it? A brain, a heart, a home, the nerve.

Not only do marketers need to embrace data, we need to take control of it to ask the very human questions about how data will help us connect with people. We still need expertise to translate data into insights, and the willingness to act on those insights. This is what ultimately makes someone data driven.

We have plenty of data. What we need more of right now is critical, creative and design thinking about it. The most powerful gift we have is the ability to ask questions – it's what makes us human, accountable and creative. Ask lots of questions about data.

In this issue, we bring the humanity and the science of data together to help make data more actionable. On that note, I'd like to introduce myself. Hi, My Name Is Not Data. It's nice to meet you.

Esmé Rottschafer

Esmé Rottschafer

The 2020 Canadian e-commerce report

Create **standout experiences** for your shoppers

- **Emerging channels**
- **New tactics**
- **Top influences driving customers' choice of retailer**
- **Marketing channel integration**

Download the report and get ahead today at
canadapost.ca/ecommercereport

CANADA POST · POSTES CANADA

Data is abundant – big data, small data, online data, physical data, biological data. Relevance is scarce – marketing is short on it. Trust in advertising is non-existent and marketing effectiveness is at an all-time low. All this data doesn't seem to be materializing into positive outcomes. The problem to solve today is not a scarcity of data, product or ad optimization, but a lack of connection.

As data increasingly integrates with people and society, we cannot extract it from people and their lived experiences or isolate it from the implications of data governance. The competitive advantage in data is not in detaching it from the people who create it. It's in adopting a data-driven mindset that aligns data to a customer-centric framework for growth.

THE BUSINESS OF DATA

Doug Stephens, founder of Retail Prophet, a global retail consultancy, recently observed on LinkedIn after speaking with multiple major brands at a retail event that *"They all want more data but don't know what they'd actually do with it."* This observation reflects the critical issue in data right now. According to Gartner, the global analytics and business intelligence software market reached $21.6 billion in 2018. But the firm predicts that only 20 per cent of analytic insights will deliver business outcomes. Companies are investing lots of money with minimal returns.

Data provides a competitive advantage when it serves both the business and the consumer. It seems logical, but Accenture estimates that only 15 per cent of technology big bets are business driven. The same thing is happening with data. And that's part of the reason so much investment is not materializing into a competitive advantage. Technology and data are useless if they aren't strategically deployed against a unique set of business questions and challenges. Investing in them is futile if there is no understanding of what data is valuable and where it needs to be plugged in to have impact.

Technology and data are not off-the-shelf solutions to relevance.

Using data for a competitive advantage isn't about every company becoming a data company. It's about embracing a data-driven mindset and approaching data strategically across the business – thinking critically about what you're trying to accomplish with it. Start by understanding what key questions need to be answered with data and what will be done with the insights produced. [This, of course, includes inquiries related to customer understanding and value.] Most companies have enough data; they just need to structure it for business value and consumer connection. As companies develop their data strategies, it will be the questions asked that transform data investments into business outcomes.

What are the critical business questions that data needs to inform?

DATA ETIQUETTE

While we don't give data privacy too much thought in our day-to-day lives, every time we hear about a data breach or a case of identity theft, it leaves us hoping that the Hotmail accounts we opened eight years ago when data wasn't "a thing" aren't betraying us now. Data protection is an increasingly important topic that is upping the ante for those in data security [and hackers, too]. These stories keep pushing data ethics to the forefront.

The social context in which people experience topics related to data shape their perceptions and expectations about companies and data use. As marketers, we need to consider how our customers are experiencing the data decisions we make. The ad that stalks a customer around the internet; the required phone number field that really should be optional; the three emails a day; the pre-checked marketing permission box – these are examples of things that are designed to benefit the business, but not the customer. If we want people to trust us and share their information, we need to focus on data etiquette that puts customers first.

Data etiquette means gathering and using data in an ethical and respectful way. It requires determining what data your

company needs versus what people in the company say they want. Be transparent and clear about what information you collect and why. Give people control and options that can aid algorithms in understanding them. If the data you're collecting doesn't have strategic business value or improve customer experience, you don't need it.

Data-driven doesn't replace customer-centric. Being a customer-first company means continuously meeting the needs of your customers – that should be the priority for data, too. Forging a mindset of two-way data value puts customer trust and respect at the centre of data-driven decision making.

One thing is becoming more apparent – people don't want companies sharing their data. This fact makes collecting more first-party data critical for companies, and data etiquette all the more important.

Can you explain why you need or have specific sets of data?

BIAS IN ALGORITHMS

Algorithms are a massive part of our daily lives. They're amazing for their ability to take complex, structured data and compute it quickly. They ease our mental load and bring efficiency and greater responsiveness to business management.

Algorithms make online searches more relevant; they sort photos from the camera roll into albums; they turn up the heat when the temperature dips; they calculate a detour when traffic is heavy on our route;

they use biodata to monitor insulin; they help us find binge-worthy shows to watch.

They have an enormous field of application, but they aren't infallible. The majority of the algorithms we use every day are predictive. Predictive algorithms are logical, not interpretive – they don't understand the relationship between variables, so they aren't great at context or making sense of complex human decision making. The more predictive functionality an algorithm has, the less interpretative functionality it has. Data must be accompanied by meaning; just don't expect a predictive algorithm to provide it. We still need to prioritize interpretative data and methods that help us translate data into insights, meaning and narrative.

Predictive algorithms do what they are told based on source data sets and their programming criteria. Flawed programming parameters and poor source data can lead to bias in algorithmic decision making, which in turn can lead to unintended consequences that perpetuate discrimination. Although algorithms are getting better at avoiding bias, we have to be diligent about what data [and assumptions] the algorithm gets trained with. For instance, if we want to encourage more female applicants for a job, then using historical data that has a male bias won't accomplish that. Similarly, algorithms that are trained on white faces will not be good at recognizing darker skin. These are issues of data, but they are also issues of non-inclusive design practices that lack experimentation and critical thinking.

We need to inspect the algorithms we use, rely on and create for bias. Algorithms need human judgment to work well, not just data. As we continue to improve automated decision making, we must improve our own critical thinking skills as well.

Are data sources or programming parameters creating a bias?

SMALL DATA

IRL, most companies do not need big data. Your company uses data every day. You probably already have data that could be more valuable and actionable if you organized it differently. Too often, we forget the important questions of data structure and organization that help us get more out of our small data.

The relative ease and power of small-data projects can improve marketing effectiveness quickly. To get small data working for you:

› create a customer-centric data strategy that clearly outlines what data and why,

› source stable third-party data that can close gaps in current data need,

› create data projects that improve data quality and integration using universal customer IDs across data systems,

› organize for cross-functional teams that all understand their data accountability – including partners.

Are we structuring our data to make it more useful?

DRAMATIZING THE SINGLE DATA POINT

Highlighting a single data point in isolation misses the point of data: insight. Data connected in context provides a different, more complete story for decision making. Here's an example to demonstrate.

People sign up for credit cards in January

Sign-up in January

Not first card in wallet

CONSUMER CONTEXT

Many Canadians shopping in January for a credit card are looking for a safety net, and a credit card is a feasible way to create one. The mindset tied to the behaviour tells a different story about their motivations.

Single data point: *The credit card company decided to do a major acquisition push in January.*

Consequence: *Acquisition efforts increased sign-ups but exacerbated an existing business issue related to the place of their card in wallet.*

The full story: *This new understanding had a fundamental impact on decision making, which improved targeting and decreased inactive users.*

REAL-TIME DATA

Real-time data is information that is delivered immediately after collection – a like, an impression, a download, a click-through. It is mostly used for counting and tracking. When real-time information is dynamic – meaning it changes over time – the size, timing and stability of the data are essential to decision making.

We want to know what's working, and fast. The ability to see digital counts in real time gives us a false sense of performance, typically based on vanity metrics. Based on this data, we move to optimize without a stable data picture or a complete pattern [data narrative]. This can lead to

› narrowing audience reach;

› focusing on the wrong audience;

› optimizing for the channel, not the audience journey;

› binary decision making.

What kind of real-time data is both stable and useful for decision making?

DATA PERSONALIZATION

Sparks & Honey, a cultural consultancy, states, *"The data from our lives is turning into a hyper-personalized narrative, used to increase the value and contextual resonance of products, services and experiences."* That's what the best-connected experiences should do. But in reality, a 2018 Redpoint Global study across the U.S., Canada and the U.K. found that the top three most frustrating interactions with brands were all due to irrelevant or redundant offers. What differentiates the promised land of connected data from its abuse is how it's being used to personalize the brand experience.

When we obsess over real-time optimization, we lose the consumer signal, the value, the plot of personalization. It begs the questions: For whom are we designing? And how are we using data to create a personalized experience?

Brands need to connect with people, not just target them. An algorithm can't create connection or meaning – we need design for that. Personalization needs to be thought of from both a data and a design perspective in order to connect.

Getting better at personalization requires

› designing an experience to be desirable; not just personal;

› giving people more control in the experience.

› utilizing many streams of micro-targeting with relevant content;

› connecting data across the journey;

› balancing human interaction and technology moments in customer interaction.

Are you using data and design to create personalization?

Read more >>

Download these articles in our past issues section at canadapost.ca/incite for more on effective marketing in a data-driven marketing landscape:

INCITE 2019 02
The Value of Values

INCITE 2019 02
Me Myself and Marketing
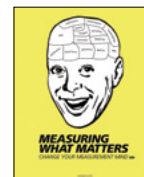
INCITE 2019 03
Measuring What Matters

INCITE 2019 03
Putting Customers at the Centre of Measurement

INCITE 2020 01
Bridging the Meaning Gap

— Is that a DATA-DRIVEN INSIGHT or did you MAKE IT UP?

CLOSEUP OF
AN INSIGHT

DATA INSIGHT IMAGINATION
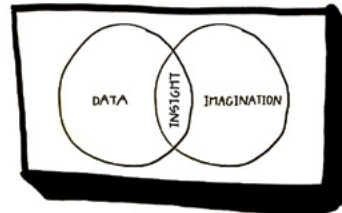
* MAGNIFICATION
x 1,000,000

— YES.

@MARKPOLLARD

THE DATA IN HUMAN EMOTION

Diana Lucaci, Founder and CEO, True Impact

You visit a home furniture website once and, next thing you know, you're showered with sofa ads. Have we reached the peak of messaging relevancy or is it simply intrusiveness under the guise of personalization? **>>**

Most brands now have access to a customer's digital data, geographic location and other demographic data, which they use to send out personalized communications. They may use my name or know that I was on their website, but something still feels empty and cold. The brand doesn't seem to know why I buy and what motivates me to take action. With little understanding of human emotions, many brands end up limiting their potential.

To go beyond this rudimentary level of targeting personalization, toward relevance, a few more things need to be taken into account. Do you truly know the customer you are trying to reach? What are some of the problems they're trying to solve right now? When you start thinking beyond traditional data, you see audience targets as human beings. This is the true meaning of relevancy – the brand not only knows a customer's name, but also their tastes, personal preferences, motivations, values and more.

FULLY CONNECTED CUSTOMERS

Customers today love brands that go the extra mile to fully connect. For example, when a U.S.-based mobile carrier replaced its traditional welcome emails with short videos sent via text – personalized for the user, the device, the plan and the account set-up information – the open rate spiked to 98 per cent. By using more personal tactics with a deeper understanding of human motivation, brands can connect with people at a more emotional level.

An emotionally connected customer is not just interested in accumulating points or getting occasional discounts; they are looking for an experience that connects their motivations meaningfully with a brand. Each consumer category and stage in the customer journey will have different emotional motivators that will create a connection with customers. Using emotion data as a starting point can have a big effect downstream. It's much more effective and efficient to convert highly satisfied customers into emotionally connected ones than it is to try to convert unsatisfied into satisfied.

POWERHOUSE OF EMOTION

Every day, around 70,000 thoughts and feelings are processed by the brain. An organ that makes up only two per cent of the total body weight uses 25 per cent of the body's oxygen and 70 per cent of its glucose. The human brain has evolved over hundreds of thousands of years and continues to evolve. Still, it's safe to say that it has not changed much in the last few hundred years, and neither have the motivations that drive behaviour.

> ## "It's much more effective and efficient to convert highly satisfied customers into emotionally connected ones than it is to try to convert unsatisfied into satisfied."

People across the five generations are motivated by a sense of well-being, freedom and belonging. They usually crave a unique identity, exciting adventures and a positive mental picture of the future. These types of feelings are common across cultures and genders, and they form the basic inputs into rationalization. Decision making starts with an emotion first, followed by a logical thought. For example, you aren't likely to be interested in a discount offer from a grocery store if you have little trust in and no familiarity with the store. This is why most successful advertising today begins with an emotional component before presenting rational arguments – it simply works. A U.K. study by the Institute of Practitioners in Advertising showed that out of 1,400 successful advertising campaigns, those with purely emotional content performed about twice as well as those with only rational content. The brain is the powerhouse of emotion.

NONCONSCIOUS MEASUREMENT

Emotion data coming from nonconscious measurement is becoming more and more sophisticated and fascinating. Unlike traditional market research, nonconscious measurement does not rely on people verbally expressing what they like. There's no risk of a loud voice dominating the focus group, or someone getting the wording wrong on a survey question. We can tap directly into how the brain responds to different stimuli. Nonconscious emotional measurement is about quantifying what used to be subjective and tying it to behavioural metrics. For example, if we know that attention is vital as the first step to being perceived as relevant, then we need to ensure that a piece of marketing can emotionally get our audience's attention first if we want to convert them. Using emotional resonance as a predictor of conversion becomes a way to quantify emotion and tie it to performance.

When it comes to measuring visual attention, eye-tracking technologies have become affordable and easy to implement. Eye tracking comes in many varieties. There's predictive eye tracking, where a software algorithm predicts with a high level of accuracy where most people will look, most of the time. This is an inexpensive way to optimize direct mail, digital, mobile or out-of-home communications. Webcam eye tracking works well for testing websites and other online experiences. Many webcam eye-tracking tools can also capture facial expressions, to bring a dimensionality of emotion to the data. Eye-tracking glasses are great for testing retail environments, automotive driving experiences or anything that involves the user being in a physical space. Visual attention data includes metrics of focus [how scattered or concentrated the attention is], average fixation count [how many times the eye landed on a region], average fixation duration [how long

the eye stayed on a region] and much more. Knowing what is seen first, last, most and least helps companies optimize communication hierarchy, sentiment and experience.

However, like most biometrics, eye tracking alone is unidirectional. We know whether attention has landed on a certain region; however, we don't know whether the person is confused or in love. In the same way, measuring heart rate alone can indicate a change in variability [lower or higher heart rate]; however, it is not a clear indication of like or dislike. I often say that you can look at a photo of a train wreck for a long time, but that doesn't mean you like it. Combining emotion data coming from the brain with biometrics as confirmation provides a clearer and more complete picture of a person's real-time emotional state.

Most neuromarketing research includes some component of brain measurement, and the most common tool is the electroencephalograph [EEG]. An EEG is a non-invasive test used to evaluate the electrical activity in the brain. The most interesting data coming from the brain has to do with motivation, cognitive load and arousal. In order to perceive the product as being of a higher quality and value, the motivation metric in the brain has to go up. The more motivated someone is, the more likely they are to "lean in" to the brand message. Cognitive load has to do with how much cognitive effort a customer is willing to put in before they "check out." Too little cognitive engagement and they're bored; too much and they're experiencing stress. Finally, the arousal metric tells us about emotional intensity. When an experience is surprising and exciting, we expect the mind and body to react accordingly. These and other data points are recorded at 256 times a second, providing never-before-seen insight into human behaviour.

When timelines are short, there are other options for collecting emotion data that do not involve a location, a recruited sample and headgear. Emotions can be measured via a webcam or during an implicit reaction time test [IRT]. There are a few types of IRTs available, and the main idea behind this method is that neurons that fire together wire together. For example, if growing up you have associated freshly baked cookies with your grandmother's house, the concepts of cookies and your grandmother have a strong association. IRTs are great for capturing the strength of associations between brands and packaging, taste attributes and logos, and much more. Knowing which attributes are descriptive of your brand and what mental associations customers have with them can give you an advantage.

"The future of marketing is emotional, and the added empathy it brings will have a positive impact on brand experience."

THE FUTURE IS EMOTIONAL

The world's biggest brands are competing mostly on the basis of customer experience. It used to be enough to look at historical data, such as past purchases, location, age and gender, but this level of analytics is not adequate to deal with the complexity of consumer decision making today, nor the speed at which it happens. The current expectation is to combine historical and real-time data in an effort to optimize the customer experience in the moment. If the customer has the ability to interact with you in real time, you need to be able to respond accordingly and immediately. A few years ago, AI, chatbots and voice search engine optimization were ambitious marketing goals, and today, they are priorities.

Although the ecosystem appears to be getting more complex and overrun with data, the solutions are often simple. When it comes to analyzing human motivation and behaviour, it's good to remember the basics. People will react well to marketing messages with an emotional component that are relevant for the place and time in their life.

The future of marketing is emotional, and the added empathy it brings will have a positive impact on brand experience. It will help prioritize research and data that establishes relevance as a precursor to conversion and emotionally connects people more fully with a brand. There is a lot of data to be gained by focusing on human emotion. Once you connect the dots between what people see, feel and do, it's obvious that ultimately the customer experience is not in front of the customer – it's in the mind. Understanding customer attention and emotion is the first step toward improved brand relevance.

Diana Lucaci is the founder and CEO of True Impact, chair of the Neuromarketing Science and Business Association [2012-18 term], committee member of the Standards Council of Canada and winner of the Best in Class research award from the Marketing Research and Intelligence Association. She holds a degree in neuroscience and psychology from the University of Toronto. Having partnered with brands like Yahoo Canada, Colgate-Palmolive, General Motors, Nissan, Canada Post and Molson Coors, her mission is to drive business growth through brain science.

THE THREE Ds OF PERSONALIZATION

Bilal Jaffery, Intelligent Marketing, Customer Data & AI Practice Leader, Deloitte

I still recall the bright summer day in August of 1994 when I came across a rather crude version of a song by my favourite artist, in mp3 format, on a local bulletin board system, or "BBS" [a pre-internet social system that you dialed into to check messages and share files]. The song took me over two hours to download and took up three floppy disks. And I listened to it on repeat the whole day. Looking back, that was the day that defined my lifelong interest in technology. **>>**

As our technology infrastructure improved and Moore's law worked its magic on CPUs, allowing greater connectivity and mobility, our relationship with and trust in technology strengthened. In 2020, this technological progression has evolved into an always-on relationship influencing how we connect, interact and share with each other.

We spend the majority of our time in a connected state through our cellphones, tablets and laptops. This digital connectivity offers us the ability to consume content when we desire, buy our favourite products without leaving the house, get food delivery as soon as we get hungry and leave a bad review if our dipping sauce is missing.

This connected reality has also led to exponential growth in the amount of data that is being generated. Every time we download, click, leave, share, comment, like and retweet, we leave a trace. Leading-edge brands have built technology infrastructure that captures these interactions, learns about us and delivers experiences that delight us at a very human level – this key capability is what we call personalization.

Personalization is the reason Spotify now leads the music-streaming war against Apple, Google, Pandora and others. Spotify's technology architecture was designed from day one to learn from user interactions. In the early days of Spotify, they did not have the luxury of a high budget, like Apple and Google had, to attract celebrity DJs and highly sought-after music curators to build mixes, so they instead leveraged advanced analytics and machine learning to learn about every user's preferences by paying close attention to what music they liked and listened to on repeat, and what songs they ignored. It was then modelled with the music choices of users with similar tastes, creating a network effect. The machine-curated playlists were finely tuned to each user's preferences at a deeper human level, which no celebrity DJ could match.

As the underdog in the music streaming business, Spotify leveraged technology and data to deliver relevance, with efficiency, to grow and scale against its competition. And because it has access to each user's extensive historical listening data, Spotify keeps improving its ability to deliver personalization. And that drives further user loyalty.

Technology has progressed to a point where we can easily imagine a world in which a brand knows who you are and what you want, and can deliver the product, service or experience that best suits your needs seamlessly and in real time, across physical or digital channels.

> ## *"The new world of marketing is personalized, contextualized and dynamic. It combines the arts and sciences of creativity, data, decision making and technology."*

The new world of marketing is personalized, contextualized and dynamic. It combines the arts and sciences of creativity, data, decision making and technology.

The modern marketer is working to become more precise across the customer journey. This new strategy focuses on seeing the customer holistically and treats the customer's profile as more than just a data set for targeting acquisition or upselling. The goal is to transform marketing from a customer-acquisition-focused activity into one that enables a superb human experience, grounded in data.

This human experience is driven by intelligence, which treats each customer as an individual by understanding their preferences and behaviours. Analytics and cognitive capabilities illuminate the context of customers' needs and desires and determine the optimal way to engage with them. Modern marketing technologies tailor content and identify the best method of delivery across physical and digital touchpoints, bringing us closer to truly unique engagement with each and every individual.

THE MODERN MARKETING DOMAIN

Marketing has gone through a revolution with the rise of marketing technology. New systems have allowed automation and optimized delivery of content across web, mobile, social media and even retail point-of-sale [POS] channels. These systems capture data from every interaction.

Traditionally, marketing's method of engagement was to bend consumer will in ways that would advance a seller's objectives. Going forward, its goal will be to align the seller's objectives and methods of engagement with specific customer expectations – expectations formed on a deeply personal level.

People buy based on both logic and emotion, but at the end of the day, it's emotion that drives the final action. When it comes to companies communicating and connecting with people, logic and system limitations have sometimes trumped emotional intelligence.

That's why reclaiming the human experience and reconnecting with emotion are on the rise. Our brands are expected to understand wants, needs and previous interactions. An optimal brand experience demonstrates emotional sensitivity. This will set the bar for all brand expectations moving forward, regardless of category or sector.

The time to focus on customer data is now and the most progressive companies are bringing data management and customer engagement processes back in house. That means hiring and blending creatives, technologists, data engineers and scientists into the marketing team – often much easier said than done, but necessary to build and deliver the next generation of marketing.

INTELLIGENT MARKETING

If you want to start driving intelligence through your marketing programs, the first step is to devise a customer data strategy. This strategy's purpose is to organize and structure

a brand's understanding of what data it needs to serve customers, mapping out where the data will come from and modelling it for real-life analytics applications to develop a holistic view of the customer and make the right decisions to deliver on experience.

Intelligence should be deployed across the three Ds: data, decision making and delivery.

Data: How you learn the customer's desires, preferences and behaviours

Data is the starting point for all efforts. Greater volumes of diverse data – in an environment that a brand controls – make it possible to develop a deeper understanding of customers and their individual preferences and behaviours.

Think about the customer information your company may have in its systems: names, email addresses, responses to marketing campaigns, past purchases, post-sale contacts and the outcomes of those transactions. For example, were there any issues with the products? Did the customer engage with the brand after the sale? Was there a return? Did they use a coupon?

These are basic elements of a customer profile that can be enhanced with public or third-party data, all while complying with today's stringent consumer privacy data standards.

Knowing each customer's age range, gender and location can help you compare their purchase history and preferences to those of others in the same demographic group. This analysis helps build a more complete picture of customers engaging with your brand. The process for gathering, integrating and enriching audience and customer data will vary according to each brand's capabilities and needs.

By ingesting and transforming data from a myriad of sources, you can link each data transaction to a unique customer identifier. This data can then be stored in a customer data platform for use in decision making and delivery.

Decision making: How you decide when to push and when to pull

Through advanced analytics, machine-learning-driven audience management, real-time personalization and decision-making engines, the system can determine how and when to provide an experience to a potential or known customer that optimizes value to the customer and the brand.

This goes beyond simple creative copy, images and messages. It can also include dynamic pricing and unique services and offerings.

> *"The challenge for personalization will be balancing what we can capture with the value we provide back to our customers. The brands that can figure this out will thrive."*

Finally, decision making should include necessary links to inventory and logistics systems to ensure that products and services being offered are actually available and can be delivered quickly.

Delivery: How you deliver your experience across online and offline channels

Following data transformation and decision making, content-management and campaign-experience-management tools orchestrate the delivery of dynamic brand experience and content consistently across channels such as email, text, mobile apps, retail POS and websites.

In some environments, this process can be largely – if not completely – automated. These delivery interactions ultimately create customized and personalized engagement.

Now that we have covered the three components of intelligent marketing, remember that this intelligence is modelled around the creativity of humans, which can never be duplicated.

VALUE FOR DATA

Brands that are on this journey are now deploying new approaches to creativity, data gathering, decision making and delivery to embed intelligence into their customer and marketing programs – a quite refreshing shift from the early days of analytics, when most of us were dabbling in siloed models, experiments and proofs of concept.

The consumer, in 2020 and onward, has become wary of how brands capture and process their data. The challenge for personalization will be balancing what we can capture with the value we provide back to our customers. The brands that can figure this out will thrive.

Bilal Jaffery is the national leader of intelligent marketing practice in Omnia AI, Deloitte's AI practice. The team is customer and marketing focused and includes AI strategists, data architects, machine learning engineers and data scientists. Bilal has a proven track record of helping businesses drive significant growth through the intelligent use of creative, design, technology and data-driven decision making. Bilal is also the recipient of several awards, including two Forrester awards for innovation, digital and business growth.

CASE STUDY

Abandoning "sadvertising," SickKids created a new brand platform that threw down the gauntlet and challenged people to join a fight that has changed the face of fundraising from fearful to fierce. **>>**

SICKKIDS VS

Philanthropy is a critical source of funding for SickKids Foundation, which had achieved donations with typical charitable campaigns based on vulnerability and need. Money came mostly from women over 35. To finance a new hospital and secure its future, SickKids needed more. In 2016, partnering with Cossette, they took back the fight, creating a fresh platform that behaves like a performance brand to incite donors to join them.

CHALLENGE

Ted Garrard, CEO of SickKids Foundation, explains, *"People who have had a direct experience with the hospital have seen the great work that goes on inside SickKids, and they have also seen the unacceptable limitations of our physical space itself…"*

SickKids had to find new ways to appeal to the generosity of more donors: younger parents, millennials, men. Year over year, the foundation also needed to create a sense of fundraising urgency, to maintain momentum until the last dollar was raised.

RELEVANCE

By reframing everything – from campaign to platform, from victims to fighters, from asking to inciting – the hospital foundation clearly communicated that sick is not weak.

"The VS campaign has been recognized around the world as a bold shift in tone for a children's hospital. With SickKids VS, *we celebrate the resilient spirit of our patients, families and staff, and showcase the good 'fight' that goes on at the hospital each day,"* says Lori Davison, Vice- President of Brand Strategy & Communications, SickKids Foundation.

In its fourth year, *SickKids VS* has proven what an idea can do when it is operationalized across an organization effectively. With a distinctive brand and focused strategy, the move away from traditional charitable tactics and "sadvertising" has expanded relevance and appeal. The brand platform changed internal perceptions, shifted culture and provided the impetus to restructure internally to better enable performance.

INCITING ACTION

Instead of asking for help, *SickKids VS* challenged people to join their fight – how could you not? Patients were transformed from victims to fierce crusaders and superheroes as the VS platform shifted perceptions and evolved from campaign to campaign.

The platform launched with *SickKids VS Undeniable*. A two-minute video set the tone for the campaign and then they took it to the streets. Giant billboards and larger-than-life murals called citizens to action: *"We're building a new SickKids and we need 5,000 monthly donors. Join us."* Donors could rep their neighbourhoods by planting flags on an online map. Social media and email geo-targeted specific locations.

Using multiple channels to communicate a consistent message, the brand created online video, TV coverage, in-hospital signage and OOH billboards. Awareness was reinforced by direct mail, social media, email and print media. The look of the website changed and donors could identify why they'd joined the fight [*SickKids VS Cancer*, *SickKids VS Missing Home*, etc.].

2019 marked the fourth chapter of the VS platform's story arc. The *SickKids VS This Is Why* campaign exposes the realities patients and staff face every day. The SickKids Foundation website explains
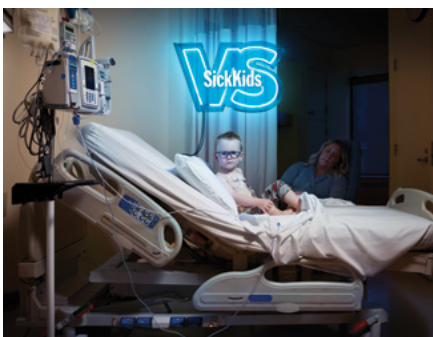
this fourth chapter as taking people behind the scenes and *"bringing people who haven't spent time in the hospital as close to the cause as possible. You might never see it. But this is why we fight."*

SickKids has thrown out the old rule book of integrated campaigns. It is using a sophisticated, data-enabled approach to cross-channel integration that co-ordinates all efforts within an ecosystem architecture.

All the channels are working together to deliver a clear, integrated message. Channels that create emotional appeal are connected responsively to a call to action in direct channels. Patients' personal stories are matched to regions and neighbourhoods to enhance the personal relevance of communications.

Their performance mindset means they are constantly optimizing and testing channel mix and targeting parameters using data. For instance, mobile data is being used to target people right after they have seen an OOH billboard conveying an emotional appeal with a quick followup call to action in social media. Direct mail is being further segmented and personalized to create more relevant and timely appeals within the existing and growing donor base.

A strong brand, aligned objectives, a fully operationalized platform, an emotionally resonant story arc, cross-channel optimization and personalization are making SickKids a master class in marketing effectiveness.

RESULTS

SickKids Foundation reports, *"To date, the SickKids VS Limits campaign has reached 75 per cent of its $1.3 billion goal – the largest fundraiser in Canadian health care history."*

› 32% more transactions

› 63% increase in average donation value

› 10% lift in donations from male and millennial donors

The foundation generated an unprecedented $159 million for the 2019 fiscal year. Each year, during their largest campaign period [October-December], SickKids exceeds a goal of 5,000 new monthly donors.

Heather Clark, Vice-President of Direct and Digital Marketing, attributes this to a performance mindset that's focused on closing the gap between emotional capture and donation conversion – using data to optimize across the customer journey. She says, *"We have been able to achieve our goals by staying focused year over year on a simple principle – keep the proven and test the unknown."*

SickKids VS continues to give everyone a reason to help patients and staff overcome the limits they face every day.

Case Study Debrief

BRAND SickKids Foundation   **INDUSTRY** Not for Profit

Inciting Action
SickKids VS created a new operating system for the brand that embraced performance, not victimization. SickKids threw out the old rule book of integrated campaigns, instead using a sophisticated, data-enabled approach to cross-channel integration.

Results
The foundation generated an unprecedented $159 million for the 2019 fiscal year. Each year, during their largest campaign period, SickKids exceeds a goal of 5,000 new monthly donors.

Conversion Funnel
Dots indicate where direct mail was used to incite action.

ATTRACT • ENGAGE • NURTURE • COMMIT • RE-ENGAGE

Data Sources
Integrated first-party & third-party data

Media Formats
Personalized Mail Letter

Activation Pillars
☑ Physicality
☑ Data
☑ Connectivity

Key Take-Aways
› Data enablement requires a change in how departments work together.

› Using data to connect channels improves conversion.

› Brand, emotional appeal and activation need to work together.

› Matching data to communities increases direct mail personalization.

❝ We have been able to achieve our goals by staying focused year over year on a simple principle – keep the proven and test the unknown. ❞ *– Heather Clark, Vice-President, Direct and Digital Marketing*

CASE STORIES

A collection of inspired work from around the globe and across industries showcasing the many ways modern marketers are using direct mail media to change how customers experience the marketing mix.

WHEN A RELATIONSHIP FEELS LIKE NEU

Direct mail encourages new owners to prolong that new-car feeling to increase after-market sales.

Volkswagen owners are fiercely proud of their vehicles and go to great lengths to care for them. With tens of thousands of Canadians driving a new VW home every year, there was significant opportunity to build on that customer loyalty after the vehicle leaves the lot. Eager to let customers know about its wider range of products and services and, its superb warranty options and accessories, Volkswagen went to work.

To extend the thrill of ownership beyond the original purchase, build customer loyalty and increase its business, the iconic automaker created a personalized welcome package that included the perfect gift for the new car owner. The professional-grade cleaning tool removes tree sap, bird droppings and other stubborn dirt that car washes can't easily remove. Called Neu (German for "new"), the product prolongs the honeymoon phase of new vehicle ownership, while the package demonstrates there is more to Volkswagen than cars alone.

With an engaging headline – "Take that, pine sap!" – and a thoughtful gift, Volkswagen made it crystal clear how much they value their customers while providing all the information needed to keep their much-loved cars looking and driving like new. The direct mail campaign helped turn customer experience into a long-term relationship while extending brand loyalty. All around, a pretty polished performance!

CLIENT: Volkswagen | PRODUCT: Welcome package | COUNTRY: Canada | AGENCY: TrackDDB Toronto | AGENCY TEAM: Creative Director: Barb Williams | Creative Group Lead/Art Director: Italo Siciliano | Copywriter: Andrew Strachan | Print Production Manager: Tara Greguric

BUILDING A REPUTATION FOR INNOVATION

This top business school used direct mail to connect transformative learning with future success.

When the University of Cape Town Graduate School of Business wanted to raise awareness among corporate decision makers about what sets the school apart, it arranged for a physical demonstration.

Believing it's more important to show than tell, the university created the Build pack – a way to convince business leaders that the school provides the building blocks to help students create futures through transformative learning.

The pack contained blocks, which represented bricks, in three colours, along with a manual on how to build a replica of one of Cape Town's most famous landmarks, the old Breakwater Prison turret. The different ways to design the familiar structure symbolized how it's possible to change the old ways of doing things and create an alternative future. The task required critical, flexible and creative thinking, underscoring the educational approach the institute takes with students.

To create the pack, and the experience surrounding it, the school partnered with Faatimah Mohamed-Luke, who is not only an artist but a successful entrepreneur who has applied her business skills to the art world.

In November 2019, the school's MBA program was included in the *Financial Times* global top 50. It has also been voted the best EMBA in Africa and is clearly building a reputation for innovation.
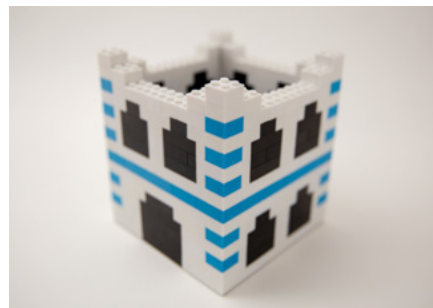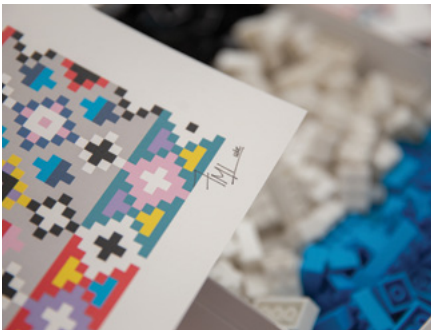
CLIENT: UCT Graduate School of Business | PRODUCT: Build | COUNTRY: South Africa | AGENCY: Black Sheep Studios | AGENCY TEAM: Creative Director: Fehraad De Nicker | Art Directors: Faatimah Mohammed-Luke, Al Luke Copywriter: Marnus Nieuwoudt | Producer: Al Luke

REAL-LIFE REWARDS HELP GAMERS ACHIEVE GREATNESS

Online and offline worlds collide as virtual rewards turn physical.

To strengthen its grip on the industry, gaming giant Sony pulled an unconventional move. By taking gaming rewards offline, it inspired players to upgrade their systems.

Gamers tend to avoid traditional advertising, yet millennials [important to Sony] love brands that send them mail. Sony wanted to reach gamers who had yet to upgrade to PlayStation 4 by showing them what they were missing.

The gaming giant found a way to remind audiences to continue the quest for gaming greatness. It released a Facebook video featuring a king. Hidden in it were 100+ Easter eggs – virtual treasures from PlayStation games. When gamers found one, they commented online. To their surprise, they received responses and were rewarded with their treasures IRL.

Behind the scenes, a team worked tirelessly to reach gamers via Facebook Messenger. They asked for addresses so Sony could mail the treasure right away. They created personalized videos showing rewards being prepped for mailing. Many gamers responded with videos of themselves receiving their rewards.

Over the space of four days, the king gifted more than 300 treasures. Comments were published on a single feed, documenting the campaign in real time – a Facebook first.

Sony's campaign received 24 million views and 345 million media impressions. With the royal treatment, it helped the PS4 become the best-selling console of the year.

SOMETHING THOUGHTFUL TO CHEW ON

To boost their brand with influencers, travellers and the media, Air France created a clever campaign that soared.

Air France cares about every aspect of passenger comfort. From head to toe, no detail is too small. Because cabin pressure can change during takeoff and landing, eardrums are sometimes compressed and fliers' ears may become blocked. As it's not chic to yawn the pressure away, many travellers chew gum to help make the flight more comfortable.

To align its brand with in-flight ease, Air France collaborated with a food specialist to create the first chewing gum that tastes like France. *La gomme à mâcher* is French made with 100 per cent natural gum, and is available in two flavours. Both recall iconic French desserts – pistachio macarons and crème brûlée.

To raise awareness of its *savoir faire* approach to passenger relations, packs of the gum were mailed to journalists and influencers. The airline also extended the experience to Snapchat, with a *gomme à mâcher* lens.

The results took off: 40,000 packs of the gum were sold within a week and 30,000 were mailed and given away. The campaign, which got media coverage worldwide, generated more than 25 million impressions and 6 million views of the launch video.

In addition to the mailings, the Air France gum was distributed on select flights, as well as in several of the airline's lounges. It was also available to buy online. Without a hint of turbulence, Air France was able to relieve travel pressure and improve both customer experience and brand perception.

CLIENT: Air France | PRODUCT: La gomme à mâcher | COUNTRY: France | AGENCY: BETC | AGENCY TEAM: Chief Creative Officer: Rémi Babinet | Executive Creative Directors: Ivan Beczkowski, Jasmine Loignon | Creative Directors: Marie-Eve Schoettl, David Soussan | Art Directors: Chloé Perignon, Nathan Brunstein | Copywriter: Chrystel Jung Strategic Planning: Céline Mazza | Director: Flaminguettes | Producer: Yannis Cullaz [RITA]

AN ULTRA-SOUND IDEA

Replica of ultrasound machine captures attention of sonographers, generating buzz and sales leads too.

Sonographers have a lot to say about what kind of ultrasounds they use, but they're not the ones making the buying decision.

To break into the ultrasound market, build brand awareness and generate leads, medical equipment provider Carestream needed to highlight the ergonomic design of its Touch Prime Ultrasound System. To compel both buyers and users to discuss it, they sent a cute little cardboard machine to 1,400 radiology administrators across North America.

Made of paper, the 10-inch model impressively mimicked the actual product – including multiple swivel motions and a collapsible column for height adjustment. Stickers could be swapped on and off the model to demonstrate personalized secondary controls that allow users to configure their individual preferences. The model successfully conveyed the innovative touch screen and flexible design that gives sonographers unprecedented control.

A personalized letter and "Owner's Manual" were also enclosed to further illustrate and describe the product's features. Email, social media and outbound calls were sequenced to follow the mailing.

One year after deployment, the multi-channel campaign had delivered hundreds of leads and sales opportunities worth more than $10 million. Social media buzzed as prospects shared photos of their models on their Facebook pages, with one group alone generating over 4,000 likes.

Carestream cleverly understood that image is everything to sonographers, and they skilfully closed the gap between users and buyers with an experience that had everybody talking.

CLIENT: Carestream Touch Prime | PRODUCT: Ultrasound System | COUNTRY: U.S. | AGENCY: The Verdi Group
AGENCY TEAM: Creative Director: Bob Green | Art Director: Jessica Adams | Director of Client Services: Mary Bonaccio
Marketing Managers: Don Thompson, Erica Carnevale

UBER SHARES THE RIDE WITH DIRECT MAIL

Uber chose direct mail to reward drivers and put attractive offers in the hands of prospective riders.

Uber has upended the taxi industry and become a global phenomenon because of its convenience and affordability. The digital rideshare service markets itself as faster, cheaper and better than taking a cab. Its continued success depends on growth, while keeping current customers and drivers happy. Unconventionally, app-based Uber has embraced direct mail to engage both the public and its drivers.

For example, the company has used postcards to attract new customers with a powerful sales activation offering a first ride for free. The mailing showcased the service's affordability compared to a taxi and highlighted how drivers are available within minutes, 24/7. They've also shown their very best drivers just how much their professionalism and courtesy means to thousands of riders. Uber sent a box of surprises to its most complimented and starred driver partners across the U.S. This carefully curated unboxing experience included a thank-you videogram, a coffee mug, a "Rider Preferred" windshield sticker and a note telling drivers the company would top up their tips to reward great service. The Rider Preferred designation, rewards and thank-you boxes have since been extended to Canada.

In a world where people face a daily crush of electronic messages, direct mail drove right through the digital noise with timely, unexpected outreach that not only attracted new customers and partners but also rewarded exceptional service. These are über-thoughtful ways to make meaningful connections.

CLIENT: Uber | PRODUCT: Rideshare services | COUNTRY: Canada | AGENCY: Uber Creative Team | AGENCY TEAM: Creative Director: Adam Starr

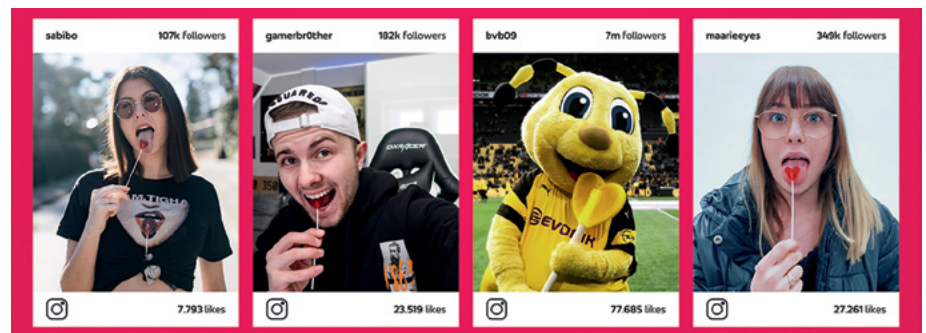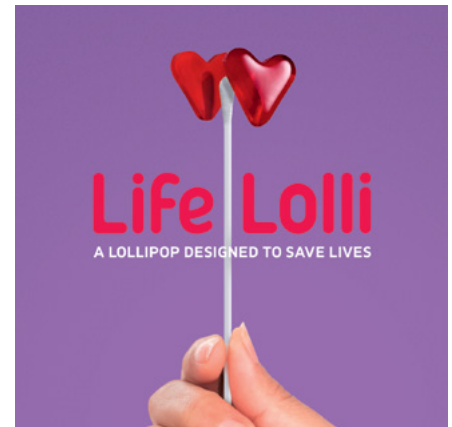# GOODNESS STEMS FROM THE HEART

Lollipops become lifesavers when mailed to influencers, inspiring young people to donate stem cells.

Every day, two children in Germany are diagnosed with leukemia. Often, donated stem cells offer their only chance of survival. People under 30 are ideal donor candidates – five times more likely to be a positive match. KMSZ, the organization collecting bone marrow samples, needed to motivate young people to help.

The typical DNA testing tool is a simple swab on a stick. So they sent out a swab wrapped in a heart-shaped lollipop. That made it an irresistible opportunity for the selfie generation to share their good deeds on social media. Life Lolli came inside a pack, which converted into a swab-holder that the lolly-lickers could mail back to KMSZ.

The first 200 packs were mailed to influencers on World Children's Cancer Day. Gamers, musicians, beauty bloggers and sports stars all showed their hearts and invited followers to order a lollipop online and show theirs. These influencers helped the idea reach 86.5 million people.

By making the DNA test playful, fun and tasty, they attracted young people who had never considered stem cell donation before. Influencers helped reach 87 million people. There were 628,000 interactions. About 20 per cent of website visitors ordered a lolly, leading to a 106 per cent increase in kit orders and 680 per cent more donor registrations. The average donor age dropped from 37 to 26 – proving that young people are both brand ambassadors and suckers for a good cause.

INFLATING AWARENESS

The Lung Association embraced the personal and physical nature of direct mail to raise awareness.

Approximately 3.2 million Canadians live with chronic obstructive pulmonary disease, including emphysema and chronic bronchitis. About half don't know, preventing them from seeking treatment. The Lung Association is dedicated to helping all Canadians breathe. To raise awareness of the disease, it created an unusually simple test people can do at home. Anyone with the disease has shortness of breath when completing simple tasks, so an easy way to test for it is to see if they can blow up a balloon.

The organization used direct mail to target residents in the Greater Toronto Area [GTA]. The emblazoned red balloon came in a small packet with information about the disease and a reference to the campaign website, theUnfunBalloon.com. Capturing the attention of everyone wondering why a balloon had lost its mojo, direct mail put a health test right in their hands.

The tactile mailing made an emotional connection and the balloon also served a higher purpose by potentially saving lives. The multi-channel campaign included transit ads, featuring an image of an uninflated balloon, directing people to the website for more information. The direct mail pack was also available for free at select retailers.

Website visits increased by 776 per cent as awareness spread about a test that's OK for everyone to blow.
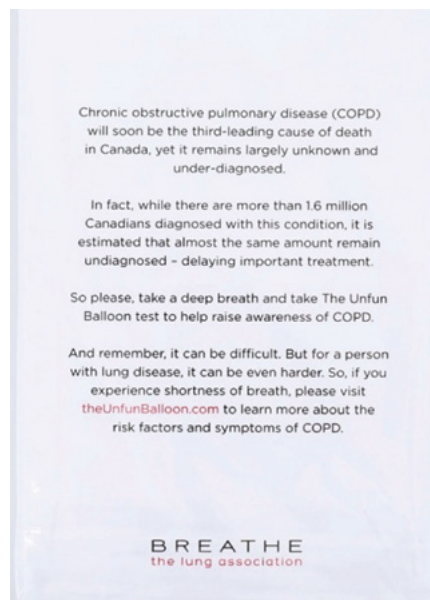
CLIENT: The Lung Association of Ontario | PRODUCT: COPD test | COUNTRY: Canada | AGENCY: BBDO Toronto | AGENCY TEAM: Chief Creative Officers: Denise Rossetto, Todd Mackie | VP ACDs: Chris Booth, Joel Pylypiw | Art Director: Bryan Howarth | Account Coordinator: Nasreen Mody | VP Group Account Director: Rebecca Flaman Account Director: Saloni Wadehra | Marketing: Peter Glazier, Monica Kocsmaros

DATA AT THE HEART OF HEALTH CARE

Our industry snapshot monitors the heartbeat of a sector and explores what that means to marketers. This time, we examine the complexities of the fast-growing health and wellness sector.

HEALTH AND WELLNESS OVERVIEW

Valued at $4.5 trillion in 2018, health and wellness is massive. Dominated by personal care, beauty and anti-aging, significant volume also centres on physical activity; the combined focus of healthy eating, nutrition and weight loss; as well as mind and body self-care. According to the Global Wellness Institute, North America leads wellness-trip spending at a healthy $241.7 billion. At the same time, the lines between health and lifestyle are becoming increasingly blurred.

The self-help era has transformed into a world of 360-degree self-optimization that encompasses health, hobbies, personal growth, work, lifestyles, personalities and even relationships. Living our lives and shaping our identities, we've never been more #goaloriented.

An already complex category, health care and pharmaceutical marketing has exploded to include the broader concept of wellness, bringing healing and prevention together to encompass mind, body and environment. Self-care exists in the beauty, fitness, personal care and food categories. It's also making its way into lifestyle, travel and retail. New technologies and direct-to-consumer brands are increasing access to preventative care products and services. Self-care sounds like a luxury – an indulgence for those who can afford it. Increasingly, though, it defines a mindset and a collection of behaviours that reshape what we expect of health care and how we interact with it.

The quantified self refers to the culture of self-tracking with technology. Wearable fitness and sleep trackers plus the Internet of Things, applied to health care and fitness equipment, mean more people have access to self-tracking. Health and fitness tracking apps now monitor data related to individual activities and baseline vitals. This growing capability to track and monitor personal data has given rise to the active-health consumer who wants to turn personal data into actionable self-care that enhances quality of life.

According to Nielsen's 2017 *Strategic Health Perspectives*, American consumers are expanding their digital health care information sources [20 per cent fewer people said they used no digital source in 2016 versus 2014]. Search-engine marketing leads volume and growth, with YouTube seeing the next-largest leap and social channels being added to sources.

Greater tracking capabilities and enhanced AI have led to more accurate information and a clearer picture of the quantified self. For nearly a decade, a thriving health and wellness sector, an uptick in disease and an aging population have driven the demand for personal-health monitoring. Across the world, ownership of health or fitness monitors has become commonplace and consumers feel positive about quantifying personal wellness to improve health.

Deloitte's 2018/19 global health care consumer surveys indicated that Canadian consumers are more likely to measure fitness and health-improvement goals compared with other countries, but they lag on control of medical data and automation of prescription/dose reminders.

KEY INDUSTRY FACTORS

Top of the agenda in Canadian health care is the need to manage increasing costs and a variety of care scenarios related to fewer hospitals, senior care and private insurance. As consumers seek more access to, and control of, self-care to prevent disease and manage health conditions, six factors impact health care evolution and wellness-sector expansion. The influence these factors have is dictated by specific health care economics in each country or region:

› an aging population,

› health care inflation and care resources,

› consumer and patient empowerment,

› chronic disease and conditions,

› data privacy and security,

› mobile health [mHealth].

RISK DRIVERS

Beyond policy and economic factors, the following risk drivers are impacting all health care and wellness categories globally:

› data privacy and security,

› lack of systemic integration,

› consumer accessibility,

› digitization of infrastructure.

LOOKING AHEAD

Data is at the heart of health care transformation. It's critical to brand competitiveness in the wellness sector; yet, compared with other categories, it's not being fully utilized. How brands pay attention to and deal with privacy is becoming a differentiator. By identifying future health and wellness challenges, we can focus on current opportunities to apply data and evolve health care marketing:

› A long history of health care focused on healing is creating opportunity gaps in preventative care.

› Pharmacies will continue to evolve their role in chronic-care monitoring and management.

› The future of health care is a collaborative system with data at its core.

› Issues to address will include communicating effectively about health management, drug options and dosage.

› Behaviour changes, transparency about health information, drug evidence and privacy will be big considerations.

› Evidence-based benefits will be more important across wellness products and services, including tracking apps.

› People will get more used to self-tracking and accessing their own data.

› Consumers will also want more personalized insight, diagnostics, support and self-treatment options.

› Genetic blueprints will be the backbone of health profiles and will integrate environment and lifestyle data.

› Employee health and well-being will continue to influence corporate culture and how we work.

INCITING ACTION

MARKETING IMPLICATIONS

Health care brands can use data-driven consumer insights to personalize their marketing strategies and enhance the customer experience. Health care marketers need to manage two types of data to play a meaningful role in people's lives: medical data and consumer data. This presents unique challenges when it comes to privacy and integration. Credit reporting company Experian says, *"When you see your patients as customers and prioritize their experience above all else, in your services and your marketing, you'll see returns in the form of increased patient satisfaction, rock-solid brand loyalty, better patient outcomes and growing revenue. In our* Digital Onboarding Report 2017, *we found that 60 per cent of organizations considered customer experience to be the number one way to stand out from the competition over the next three years."*

Marketers in this space have the opportunity to leverage data safely to improve targeting relevance, optimize channel mix and foster brand retention. Data, however, must be used to manage customer experiences that will empower people to meet their goals and improve outcomes. Health and wellness marketing needs to manage data in the context of its users and get these five areas of customer experience right:

› convenience,

› quality,

› support,

› personalization,

› communication.

MEDIA CHALLENGES

› Online and offline channel integration across the full customer journey;

› Using data to improve targeting relevance while managing data privacy;

› Balancing short-term conversion with long-term marketing to reduce the risk of commoditization;

› Expanding channel mix and tactics to reflect new sources of information and audience interests;

› Complexity of the customer ecosystem, stakeholders and sources of influence;

› An engaging content ecosystem that helps with lifestyle management.

DIRECT MAIL OPPORTUNITIES

› Integrating direct mail into a digital customer journey map [CJM] to bring online and offline together;

› Increasing targeting reach, attention, relevance and personalization;

› Using postal code, digital and lifestyle data to better target prospects and improve conversion quality;

› Improving quality of leads and promoting brand to complement short-term digital conversion efforts;

› Supporting customers and patients by improving trust, transparency and quality.

DATA DO
COUNT

DATA DON'T
FEEL
IMAGINE
INTUIT
UNDERSTAND
KNOW
RISK
THINK
CREATE
EXPLORE
PUSH
WONDER
DAY DREAM
INVENT

@MARKPOLLARD

STRATEGY
is YOUR
WORDS

"Here's how to get good at strategy: words. Why? At some point, everything is words. If you can see it, it's words. If you can think it, it's words. If you can feel it, it's words. If your words can, you can."
Mark Pollard is Strategy CEO at Mighty Jungle in New York. You can read more words from Mark in his new book, *Strategy Is Your Words,* launching August 2020. strategyisyourwords.com

FALLING FOR DATA

INDUSTRY EXPERTS SHARE ADVICE FOR A HEALTHY RELATIONSHIP WITH DATA AND DISCUSS KEY TOPICS THAT NEED MORE ATTENTION. **>>**

Marc Binkley [**MB**], MD & Digital Strategy Lead, Anstice Communications
Sonia Carreno [**SC**], President, IAB Canada
Sophie DeLadurantaye [**SD**], Director, Data Services Commercial Mail, Canada Post
Bryan Saunders [**BS**], CEO, Psychology and Marketing Inc.

ARE TERMS LIKE "DATA DRIVEN" REFLECTING AN UNHEALTHY RELATIONSHIP WITH DATA?

SC From the start, terms like this were rooted in the very promise of digital advertising. For the most part, they have encouraged investment in a highly measurable medium. However, we've run into some confusion because we haven't consistently defined the data that matters. We also need to be more sophisticated in the way we use data to drive positive outcomes.

MB No, but data is only valuable if it allows you to make better decisions. As marketers, we need to be more selective of the data we have. Not all data is good data, so it's important to understand the source and quality before we start using it to make decisions. Otherwise, we might make good data-driven decisions about the wrong things.

BS To the contrary: even organizations that are leaders in embracing change are quite balanced, and hesitant to let data completely drive all their decisions. What we are finding is that data is causing more managers and business owners to have their long-held opinions challenged, which is leading to a lot of bold and innovative decision making.

SD As the marketing landscape evolves, being data driven will become increasingly essential. However, using data alone to drive business decisions does not guarantee success. We can't forget the role that humans play in turning data into valuable insights that are aligned with business goals. They say that if you torture data it will confess anything! To get the right insights, you have to start by knowing your market and your business. Then you need to ask the right questions.

HOW CAN DATA SERVE PEOPLE BETTER AND CREATE MORE VALUE?

MB I have two thoughts on this. First, we should view this from the customer's point of view. Does the data help us plan new or better solutions to solve needs and pains? Secondly, we should ask ourselves: Do we know that for sure, or do we only think we know? We can only see what's available to us, so it's important to consider that some data may be missing.

SC Much like any science, the most surprising and important results are often obtained when we ask critical questions. For years, the industry has been satisfied with one-dimensional data sets that provide very narrow insights. When we ask questions like, "How much engagement will result in an investment?" and, "What kind of engagement might result in incremental investment?", we open the door to experimenting with more powerful creative and we better integrate our efforts within an organization.

SD Every data point tells a personal story about an individual and their brand interactions. Humanizing the data reminds us to protect it as if it were our personal information. Marketers are privileged to be part of their customers' lives, and relationships must be based on an exchange of value. By allowing us to collect data, customers leave us signals. Because every journey is unique, it's up to us to figure out what those signals mean.

BS Context is important. What's the weather? What is happening in your city? Most importantly, what are your staff hearing from customers and what are their instincts on what's happening? One way we've used data is to move away from industry jargon and match our language to that of our customers. If customers use completely different words when looking for a product, you need to adjust.

HOW CAN DATA INCREASE MARKETING EFFECTIVENESS?

SD Data is at the centre of marketing effectiveness. It helps find the right customer and deliver the right message at the right time via the right channels. The cycle is completed when we measure what matters. In today's omni-channel ecosystem we need to understand and attribute results to each channel in the media mix. To drive true marketing effectiveness, a test-and-learn approach is also key. If every campaign teaches us one new thing, it means we can make the next one more effective. That's really the key to marketing success.

BS We use data to better understand different customer types. Which messages are important to which customers at which times? It is no longer OK to say, "Half the money I spend on advertising is wasted; the trouble is I don't know which half." We're always testing which creative and which ad-buys are driving the most value. Surprisingly, the best revenue-generation tools often aren't the best looking or the most expensive.

MB I'm an advocate of measuring lift on business drivers rather than media metrics.

If we can measure and report marketing impact on 1. number of new customers, 2. average transaction value, 3. frequency/recency of purchase and 4. churn/lifetime value, then we'll start improving the effectiveness of marketing investments within the business.

SC While using data to target advertising seems like an obvious best practice, it certainly doesn't end there. There are many ways to increase marketing effectiveness with data. For example, you could leverage first-party data to enhance story-telling capabilities and guide content that resonates. You might leverage online-sales data to decide whether to expand into strategically placed pop-up stores. The possibilities are endless. From a policy POV, using data to understand risks and compliance responsibilities is critical [e.g., understanding the traffic generated on a property that originates from California will inform whether you must comply with the California Consumer Privacy Act]. With global legislation growing in our sector, these instances are on the rise.

WHAT DATA TRAPS SHOULD MARKETERS WATCH OUT FOR?

BS Confirmation bias and insufficient statistical power. Most business people haven't studied scientific design or statistics, so data is often misused. You should be trying to disprove your hypothesis – not just looking for data that confirms it. Decisions are too often made based on a tiny data set or a split test that hasn't run long enough. The results are not statistically significant: it's bad data. The result? Garbage in, garbage out.

MB I'll refer to the science nerd inside me for this one. False positives or false negatives are the biggest data traps. Even with the most rigorous test methodology, we could get a result that's not real. To avoid that, we need to think about running tests several times to validate the findings. Once we get the same result several times, we can start thinking the insight might be real.

SD It's dangerous to focus narrowly on a set of short-term metrics, like click-throughs and conversions. While these help drive real-time campaign optimization, relying on them too heavily can impact long-term success. Marketers should emphasize more big-picture metrics, which provide strategic insight and broader context [like comparing acquisition costs to customer lifetime value]. For innovative insights, leave your comfort zone and expand your go-to metrics. Focusing on the wrong metrics tells the wrong story and may lead to the wrong business decision.

SC Attribution modelling is extremely difficult in a dynamic digital environment. Another area of concern is the epidemic short-term perspective on performance. Once a campaign goes live, the race for instant results is on and the realities of normal purchase cycles, as well as other market factors, are often not taken into consideration. Data is bigger than campaign reporting.

WHAT DATA TOPIC NEEDS MORE ATTENTION?

MB Storytelling

Why it matters: Just because we have data doesn't mean that everyone understands it the same way.

What's happening: Within any data set, there is an infinite number of ways to package the statistics into useful information. Using the raw data to tell a simple-to-understand, easy-to-imagine story that can be interpreted clearly in a boardroom presentation is the hardest part of being driven by data. Data people would be well served to spend time with artists and designers to simplify their visuals.

The big picture: Data has no inherent value. It's only when data is extracted, refined, accessed and presented in consumable, actionable packages that it has worth. Most companies are swimming in oceans of data. They will need to invest in accessing and processing this data. The implication is that being driven by data isn't the same thing as being led by insights.

SD Organizational effectiveness

Why it matters: Over the years, we've seen disparate teams and specialized agencies created to handle marketing technology, data, creative, traditional and digital functions. In doing so, we've created specialized skill sets that we must start bringing back together.

What's happening: Winners will break those silos, creating unified teams to achieve a truly orchestrated, omni-channel marketing approach where all media, fuelled by technology and data, play key roles. Under this model, a marketer's skill set, particularly data literacy, will have to evolve.

The big picture: Data is no longer the business of data scientists alone. Technology is no longer an IT skill set and marketers can no longer be right-brained only. Looking at data as an embedded skill will be critical to ensure the right people with the right skill sets are in the right roles and on the right teams to innovate in this increasingly complex landscape.

BS Ethics in predictive marketing

Why it matters: Data can be an enormously powerful tool for good or evil.

What's happening: Data has been used in public health awareness campaigns to increase rates of early screening and reduce fatalities from cancer, heart disease, etc. On the flip side, data has also been used in political campaigns as a tool for voter suppression.

The big picture: The ethics of predictive analytics needs are being studied. A few years ago, I founded a not-for-profit society that studies the ethical implications of data and predictive analytics. Currently, we're advocating for a level of oversight and, eventually, the ability to issue fines for data marketers who act against the public interest.

SC International and domestic policy

Why it matters: There's a seismic shift in online advertising as global policies develop to protect citizens. All countries will have to be compliant with several international legislations on issues that go well beyond privacy.

What's happening: The GDPR was the tip of the iceberg. There's now a patchwork of privacy regulation coming out of the U.S. and, post-Brexit, there'll most likely be GDPR variants from the U.K. In Canada, imminent changes to PIPEDA will most likely echo GDPR. All these changes are happening while the very foundation of tracking [the third-party cookie] is vanishing.

The big picture: Developing a standardized universal ID that can cross borders and provide full transparency and control to consumers is a top priority for the industry. IAB Canada is working at a global level to get ahead of the technical requirements.

STOP TARGETING CUSTOMERS, START UNDERSTANDING PEOPLE

Jennifer Murtell, VP Strategy, SnapDragon

Let's talk about targeting. We are all painfully aware of how crucial it is to know our consumer, but we are long overdue to unpack what this really means. Consumer understanding is so ubiquitous to marketing that we often take its importance for granted. **>>**

Customer segmentation is often treated as a static model, despite landscapes shifting beneath our feet. If you work in an agency, your team has a method for that, and it's probably expensive. If you work on the brand side of our industry, you also have tried-and-true methods to codify your customer segments – and stacks of intelligence [some arguably out of date, some unusable] to support your findings. As consumption patterns and customer expectations change, so do the ways to understand, find and respond to them.

WHAT IS A TARGET MARKET?

A target market, or target audience, is the segment of consumers to whom you seek to sell your product or service. This is the codified language we are accustomed to hearing. "Target" implies a bullseye; "markets" imply opportunities to make money. But this language separates us from our consumers – it creates objectifying barriers that work against us when we try to understand them. Customers, consumers, targets, markets – they're all people. And people are complex, nuanced and multidimensional.

People are motivated by things they don't talk about. They are inspired by dreams that data alone can't illuminate. They have barriers that they don't discuss in polite company. They have fears that keep them up at night. They have lives beyond our brands, products and services. Brands exist in their context, not the other way around.

THE DEATH OF DEMOGRAPHICS

Demographics have been at the heart of targeting since marketing's inception. In simpler times, they gave us a reliable estimation of people's needs based solely on their salary, gender, age or life stage. When the retail environment wasn't bogged down by the clutter of proliferation, and media was limited to singular channels, demographics served our purposes – albeit underserving our customers.

The ugly underbelly of demographic profiling is the stereotype. Nothing alienates people more than an ad, a brand or a product telling them who they are, what they should enjoy and what their tacit limitations might be.

If you are still relying on demographic profiles, beware, because your targeting and activation strategies are ignoring crucial realities. People's lives have diverged from the traditional glide path of education, career, marriage, offspring and retirement, along with the traditional generational insights that used to illuminate our way forward. Simply put, people are more complex than ever, and demographics alone tell us little about what they aspire to, what path they're on and what they need from us.

> ## "Consumer understanding is so ubiquitous to marketing that we often take its importance for granted."

GENERATIONAL ACCELERATION

Like demographic targeting, relying on generational targeting can create unintended bias and sweeping generalizations. We have all attributed certain favourable and unfavourable attitudes and behaviours to specific generations – millennials, gen-Xers and boomers alike have been roasted by a snarky comment or an "OK, boomer." Although identifying and even strategizing against these generational psychologies might serve us now, we are rapidly approaching a time when speed of change is accelerating the differences within a generation. For example, we cannot assume a 23-year-old and a 29-year-old share a unifying insight when their relationships to change may be different.

Generational insights alone fail to capture different lived realities. A working-class or working-poor millennial may not have been raised with an attentive, hypervigilant "helicopter parent" if their single mom was working two jobs. They may not feel the privilege we blithely attribute to them if they are a person of colour, first-generation immigrant or member of the LGBTQ community.

DATA IN A VACUUM HAS NO HEART

Data tools provide a lot of opportunity, but it's important to recognize that data can't give us all the answers about people. In a vacuum, data can reduce people to clicks, wish lists, buying patterns and interests. What it can't provide is the psychological context we need to truly understand and respond to people's motivations – at least, not without complex translation tools. For many, the gap between data and truly resonant activation is wider than they'd care to admit.

We can know so much more about people than ever before by leveraging data tools – and we are better marketers for it. But a complimentary strategy that pairs data-driven learning with deep, qualitative listening can bring consumers to life in ways that will inspire your teams and uncover new opportunities to improve marketing effectiveness.

MICRO-TARGETING

We all have that friend who seems to know about everything first. You can rely on this person to be right about the best coffee, the most intuitive navigational app and the latest cellphone features. They are drilled down on their passions; they're tapped into the zeitgeist and they seem to know exactly what's going on. They are grassroots "subject matter experts." These people, in marketing language, are called influencers, and finding the influencers in your category [and in meaningfully adjacent categories] can be a powerful tool if you reach them the right way.

With smart tools and thinkers, micro-targeting can help you find these influencers in the data. Their social media feeds can become an avenue for targeting like-minded customers. Imagine a barista in Brooklyn who

has amassed a large following on his coffee-based Instagram account. His adjacent interests are workers' rights advocacy, South American travel and environmental activism. Imagine now that you have a coffee brand with a new line of gourmet, single-origin, fair-trade espresso beans for home. Do you want this guy to talk about your coffee? If that kind of proposition is in your innovation pipeline, but the proposition is currently fuzzy, would you want his perspective on how to focus that opportunity?

Micro-targeting is most powerful when we use a variety – as opposed to volume – of data. Identifying new sources of data can provide you with unique insight into a broader and more receptive consumer base built on affinity.

MINDSET TARGETING

Mindset targeting is achieved by combining demographic, psychographic and behavioural information. A mindset approach is deeper and more nuanced because it blends multiple types of information into a more holistic picture of a person that brings their mindset, context and behaviour together.

Components include life-stage changes, environmental data, daypart, local events and psychographic insights that reflect consumers' personality traits, values, interests, attitudes, beliefs and hobbies.

Consider Netflix, which targets what they call "taste communities." Instead of focusing their energy on demographics – which are hopelessly inadequate at predicting what people like to watch – Netflix analyzes the dotted lines between content types and the choices their customers are making in their viewing. They allow consumer interests, viewing patterns and curation behaviours to enable them to be better entertainment providers.

CONTEXTUAL TARGETING

Contextual ads can be just as irritating as conventional advertising, depending on their invasiveness and lack of respect for a website's composition. But they can certainly influence consumers more effectively, grabbing and optimizing real-time opportunities to sell

to an attentive audience. As a very simple example, the user is watching an online makeup tutorial and they see a pop-up ad for Sephora. Contextual targeting is also used by search engines to display ads on their search results based on keywords in the query.

"A complimentary strategy that pairs data-driven learning with deep, qualitative listening can bring consumers to life in ways that will inspire your teams and uncover new opportunities to improve marketing effectiveness."

The obvious challenge here is that relevant context doesn't necessarily mean appropriate context – a breast-enhancement ad on an article about breast cancer is unforgivable. If this kind of ugly engagement with your brand is their first contact, it will also be their last.

There is an entire subreddit dedicated to the disasters of contextual advertising. Although most examples are early, clunky mistakes and we have created more intelligent systems since, the risk of error and consumer alienation is a product of data-only decision making.

BECOMING HUMAN

Adding ethnography to your targeting strategies will add dimension to your data.

Ethnography's key characteristic is that it takes place in context and researchers play an active, immersive role. There is time and room for rapport to develop and for the consumer to let us into their world. These embedded scenarios create spaces to see and explore insights that quantitative data is unable to capture.

At SnapDragon, we have found ethnographic approaches invaluable in deepening our understanding of consumer needs. A recent project focused on women's perception of milk products and the stigma associated with lactose intolerance or dairy-related digestive issues. Many consumers were unwilling to self-identify as lactose intolerant but were drawn to messaging strategies that championed purity, filtration and processing that happened to characterize a host of lactose-free products. The stigma around digestive discomfort and the status of being lactose intolerant was not an experience we could have easily explored through a quantitative survey – it takes time, trust and space to discuss issues and barriers that consumers don't normally talk about or may not be explicitly conscious of.

Ethnographic methods allow us to discover and explore the complexity of consumer ritual and routine. Accessing ritual and routine is critical to understanding the human moments that punctuate everyday life, in which brands need to participate. These human moments of private and collaborative ritual provide brands with the opportunity to connect to more meaningful lifestyle values that resonate beyond a functional solution. This type of information can profoundly benefit brands in the face of shifting cultural convention and the overwhelming clutter of saturated market landscapes.

I am not suggesting that qualitative methods are superior to quantitative ones, but we need to engage with consumers in a more holistic and comprehensive way to create authentic strategies that won't fail us. No one piece of data tells a holistic story, and no singular targeting strategy will deliver against a holistic picture of human experience.

LEVERAGE DESIGN THINKING: TEST, LEARN, REPEAT

It's easy to get caught up in the excitement of making more accurate targeting a reality. Depending on how responsive your organization has been in the past, these opportunities may still feel like foreign, uncharted waters.

If you want to guard yourself against doing too much too soon, lean into design thinking as a way to invite incremental change into your work. The principles of design thinking – learn, create, test, iterate – can provide you with invaluable learning on a small scale, without ruffling feathers or risking your own reputation.

To dip your toe in the water, beta test a small pilot project that allows you to put fresh eyes on existing data and experiment with new inputs. Develop prototype campaigns for testing and evaluation. Modify as you learn, tracking your successes and failures. Build your own body of evidence. Become a superstar. Repeat.

CREATE IDEAL TARGET PERSONAS

Once you've collected insights and data from multiple channels, the very best gift you can give your teams is a comprehensive segmentation model.

At SnapDragon, we combine quantitative data from multiple sources with deep qualitative listening. To really dig deep, ensure you're considering multiple vectors of knowledge: lifestyles, mindsets, values, attitudes, pain points, emotional and functional needs, retail and category behaviours, rituals, adjacent brand associations and even family power dynamics. Leverage social sciences to uncover what consumers desire and what they fear – psychologist Steven Reiss outlines a model of 16 universal human desires that is very useful in adding important motivational contours to our understanding.

Once you're feeling confident in your segmentation model, bring each segment to life in what we call an ideal target persona. These personas don't just paint a pretty picture of your consumer. They bring to life robust data and understanding to form strategically actionable and nuanced profiles for your organization, putting faces and names to each, telling their stories and making them real. These details breathe life into the multi-dimensional human beings that were once your bullseye. People connect to other people, not to bullet points. When you make them real for your team and your agency partners, your activation opportunities – how to reach them, where to reach them, how they want to be engaged and what message strategies to engage them with – will feel intuitive, confident and inevitable.

Jennifer Murtell is VP of strategy at SnapDragon, a women-owned, women-led brand design consultancy. She's a nerd about systems thinking, brand architecture and consumer understanding, and an expert in activating design thinking to uncover new opportunities and chart future trajectories for brands. She's partnered with brands like P&G, Jim Beam, Molson, Conagra, Kellogg's, Walmart, Hewlett-Packard and Microsoft to design their way into the future. She's a painter, a collector of manifestos and a lover of cold-water swimming.

THE 16 BASIC MOTIVATIONAL DESIRES

BASIC DESIRE	MOTIVATION
Power	Achievement, competence, leadership
Independence	Freedom, ego, integrity
Curiosity	Knowledge, truth
Acceptance	Self-image, self-worth
Order	Cleanliness, stability
Saving	Collection, property
Honour	Morality, character, loyalty
Idealism	Fairness, justice
Social contact	Friendship, justice, belonging
Family	Children
Status	Wealth, attention
Vengeance	Winning, aggression
Romance	Beauty, sex
Eating	Food, dining, hunting
Physical activity	Fitness, performance
Tranquility	Relaxation, safety

Steven Reiss, 2000

THE CHANNEL IS NOT YOUR AUDIENCE

DATA CAN OVERCOME FUNCTIONAL SILOS TO IMPROVE AUDIENCE RELEVANCE.

Figure out your target audience first, then start thinking about channels. It seems obvious, right? As it turns out, many marketers are letting channels dictate targeting. At the root of this problem – and its solution – is data.

Marketing technology and automation have taken over the digital advertising landscape with the promise of helping marketers more precisely and responsively target advertising based on people's needs, interests, preferences and context within the customer journey. In reality, most of this activity is over-targeted, bombarding people with irrelevant digital ads at high frequencies based on behavioural data. When this happens, awareness and media impressions ultimately decrease ad performance.

This is because, in the background of a conversation about marketing automation, data and targeting performance, there's a bigger issue – trust in advertising. The level of trust in advertising is lowest compared to all industries measured, according to the Edelman Trust Barometer. To get the most out of targeted marketing, we need to manage our brands for relevance and respect; otherwise, it's just spam. "*If brands and advertisers are going to rebuild – and retain – the trust of their audiences, we need to see more responsible use of data across the industry*," says Mark Inskip, CEO of Kantar Media.

However, Kantar found that 44 per cent of consumers say they enjoy directly relevant ads, 45 per cent agree that advertisements tailored to them are more interesting than other ads and 61 per cent prefer to see ads reflecting their particular interests – evidence that, when relevant, precision targeting is valuable. The upside to precision targeting is enormous. Relying on marketing automation that emphasizes digital behavioural data isn't the solution. Regaining trust requires a focus on relevance in targeting.

CHANNEL-CENTRIC DECISION MAKING IS LEAVING THE CUSTOMER BEHIND

By putting targeting on autopilot, audience management has become channel led and as fragmented as the channel landscape itself. According to Stephen Yu, chief product officer at predictive marketing automation platform BuyerGenomics, the challenge is that data is being used to optimize targeting from a channel-centric perspective. By definition, targeting must be audience-centric. Yu says, "*Too many organizations mix channel optimization and target optimization, but those are two equally important [but different] endeavors.*" He further explains that data is being collected through the channel and then used to optimize the channel. The information is not being collected and consolidated into a single-customer view.

The promise of omni-channel to improve relevance and personalization through connected data is predicated on an integrated, single-customer view. Most marketers have enough data right now to do this, it just isn't organized to provide a comprehensive and actionable view of the consumer. By consolidating data around the consumer, we can begin to break down channel-led decision making to provide more strategic guidance for targeting and automated performance.

Focusing on the quality of audience data and combining online and offline data are priorities for creating more effective and relevant targeting. Econsultancy, a leading global resource for marketing excellence, points out that 64 per cent of all marketers are still separately handling their online and offline data within the organization and that 66 per cent of companies believe that the siloed data within their organizations prevents them from making the most effective use of their marketing investments.

EFFECTIVE MARKETING STARTS WITH RELEVANT TARGETING

The lines between marketing acquisition and retention strategies have blurred into one continuous interaction to become relevant – and stay relevant – as the ecosystem has reorganized around customer experience. In this new dynamic, reach and targeting are both necessary as we move toward mass personalization. What unifies the two is relevance: attracting an audience is about relevance and amplifying the value of that audience is about relevance.

The main advantages cited of using targeted marketing is how it can help minimize wasted advertising and improve conversion from interest, but what it must be doing is improving relevance. Competitive saturation and personalization puts an onus on direct marketing to be relevant. Ultimately, direct marketing – particularly the kind you can actually hold in your hand – is a stress test for relevance because it's as close as a marketer will get to a customer holding their actual product [or service] in their hand.

From a direct mail perspective, this means honing in on the relevant targeting attributes, along with effective creative, that are most likely to increase interest and conversion. It also means working from a clean, up-to-date data set.

Many marketers continue to isolate their direct mail channels from their other media activities. By thinking more about what you need from data to reach, relate to and activate your desired audience, the performance of each channel will become more effective. When you are considering what data you need, don't overlook the data potential in people's homes.

HOME IS WHERE THE DATA IS

Using geolocation data for marketing has allowed more targeted, personalized and relevant messaging and channel sequencing. Not only has it given marketers new ways to reach consumers, but it has also provided unique opportunities to connect marketing efforts across channels and increase contextual relevance. It has become integral to presenting a unified view of consumers that brings online and offline together.

Geolocation data has many different functions, including presenting ads, relevant content, promotions or coupons. It is also used increasingly to understand the customer journey and connect data within it. From a search perspective, location data is used to increase the relevance of the results page. Although mobile technology likely comes to mind first, geolocation data is simply the estimation of a physical location using an identifier like IP, GPS, Beacon or postal code.

If you aren't looking at postal code data, your targeting effectiveness might not be fully optimized. And the fact that people are more likely to share their postal code with a brand than they are their address makes capturing it a relatively easy way to increase relevance and unlock more actionable insights.

There are 850,000 postal codes in Canada reflecting where we live, shop and work. Each postal code includes an average of twenty individual addresses. They can be used to precisely target people, shape competitive strategies or contextualize your customer understanding. Address intelligence helps you find the people who look most like your strategic target or existing customers. It can also help you understand the changing dynamics of neighbourhoods and calculate household penetration, size opportunity and competitive saturation.

THE POSTAL CODE IS AN INFORMATION HUB

There's more to a postal code than six alphanumeric characters. Where we live provides a stable data anchor that says a lot about who we are and how we live. Our homes have become information hubs for all kinds of data that reflects our motivations, decision making, aspirations, behaviours, interests, lifestyles and life stages. We are regularly – and increasingly – shopping from our sofas and beds. They have become delivery centres for groceries, on-demand dining, curated subscriptions and other online purchases. The postal code can tell us where Canadians shop, their household income, what they drive and how many IP addresses are in the area.

A study conducted by PebblePost, a leading digital-to-direct mail marketing platform, validates the critical role of the home in driving brand engagement and reveals that the majority of purchase decisions are planned and made at home with other members of the household. This makes the home an influential space for targeting. "*The central role of the home, coupled with 90% of intent data available online and 90% of purchases occurring offline, means that marketers must align digital and traditional marketing strategies – including direct mail – to maximize ROI and drive conversions across every purchase channel.*"

The postal code offers a quick way to add new intelligence to customer profiling and targeting strategies, including:

› age, household structure and income;

› interests, hobbies and lifestyle preferences;

› online shopping, pet and car ownership, life stage and category spending indicators;

› household ownership, dwelling type and amount of time lived at an address.

From a media perspective, you can use postal code data to understand audience coverage and composition, which puts direct mail on equal footing with other media during planning and aids in ensuring reach and targeting goals are met, both in the media mix and within direct mail efforts.

Within an omni-channel context, postal code data can be married with first-party data [customer service, store, email, social media and website] to improve targeting across media and how well channels work together. Thanks to programmatic technology, brands can now turn their digital traffic into addressable households that can be retargeted with direct mail to close the marketing-sales-retention loop much faster with increased tracking capabilities through address matching and pixels.

Certainly, as personalization further influences our interest in shopping and sourcing locally and drives expectations for omni-channel brand engagement, the postal code will become an invaluable asset in the marketing data stack. Marketers can quickly up their game by combining postal code data with digital to enrich their ability to understand, segment and target customers with relevance. You don't have to be doing direct mail to get the benefit of postal code data. However, direct mail is the only channel that can truly deliver on the benefits of postal code targeting to improve marketing effectiveness.

To help marketers get smarter with targeting, Canada Post offers three different ways to use postal code data for direct mail marketing. Each method affords various opportunities to optimize your targeting strategy and media mix.

Neighbourhood Mail connects you to every home in specific neighbourhoods across Canada. Maximize audience reach and geofence using broader targeting attributes like drive route, household income and trading zone boundaries. DIGITAL INTEGRATION TIP: Use mobile and postal code data together to improve geofencing tactics.

Postal Code Targeting improves relevance and composition without personalization for acquisition efforts where your targeting criteria are narrower or psychographic. Efficiently optimize acquisition and promotional efforts with customer suppression. DIGITAL INTEGRATION TIP: Test communication quickly and inexpensively in social media, then overlay learnings onto postal code data.

Personalized Mail enhances one-to-one customer engagement and retention. Deepen brand experience, increase personalization and lifetime value. Layer postal code data onto existing customers to find look-alike audiences. DIGITAL INTEGRATION TIP: Use digital behavioural targeting and programmatic direct mail for retargeting to improve qualified audience conversion.

Read more >>

Download these articles in our past issues section at canadapost.ca/incite for more on effective marketing in a data-driven marketing landscape:

INCITE 2019 02
Me Myself and Marketing

INCITE 2019 02
Increase Your Retention Span for a Lifetime of Customer Value

INCITE 2019 03
Direct Mail – True Story

INCITE 2020 01
Don't Leave Your Media Mix Blowing in the Wind

INCITE 2020 01
Confusion Reigns

DATAGRAM

DIRECT MAIL TARGETING

12.4% of adults 18-21 respond to direct mail.

Source: ANA/DMA. *Response Rate Report*, 2017

15% of company respondents report personalizing their offline channels; **37%** of those report a major uplift in conversion rates as a result of doing so.

Source: Econsultancy/RedEye. *Conversion Rate Optimization Report*, 2017

🏠 > @

9x higher response rate for direct mail house lists compared to email house lists.

Source: ANA/DMA. *Response Rate Report*, 2018

Canadian marketing decision makers rank direct mail #1 for targeting among all media [digital and non-digital] channels.

Source: Canada Post. *The Smartmail Marketing Canadian Marketer Survey*, 2019

48% of Canadian marketing decision makers ranked targeting as their biggest marketing challenge.

Source: Canada Post. *The Smartmail Marketing Canadian Marketer Survey*, 2019

78% of marketers claim that personalized direct mail is a highly effective channel vs. non-personalized direct mail.

Source: Marketing Charts. *Data Source Demand Metric / PFL*, 2019

57% Having received addressed mail, 57% of consumers open it vs. 5.7% for unaddressed mail.

Source: ANA/DMA. *2018 Direct Mail Facts & Figures*

" Leveraging a custom audience list that merges house data and digital data can **increase ROI by 300%.** "

Source: Pitney Bowes. *National Postal Forum Presentation*, 2019

IN THE NEXT ISSUE

AMP IT UP!

› Why amplification is vital in today's marketing economy

› Putting creativity back into the marketing equation

› Why offline experience is the new digital engagement

› Putting communication and content into perspective

› Amplifying your media mix with direct mail

"The graphic design, production quality, but most importantly content of INCITE shows it's one of the best industry publications available."
Nelson Chan, MBA, CPA, CMA,
Chair & Chancellor, Royal Roads University

"Mine came in the mail… loved it!"
Jan Wood, Vice-President, Events and Sponsorship at Calgary Marketing Association [CMA]

SUBSCRIBE AND READ MORE AT canadapost.ca/incite

Want to build an effective direct mail campaign?

Our new how-to guide will help you plan, integrate and execute impactful direct mail that amplifies your social and digital campaigns. Learn how to drive action and get better results for your business. Get your free copy today!

canadapost.ca/essentialguide