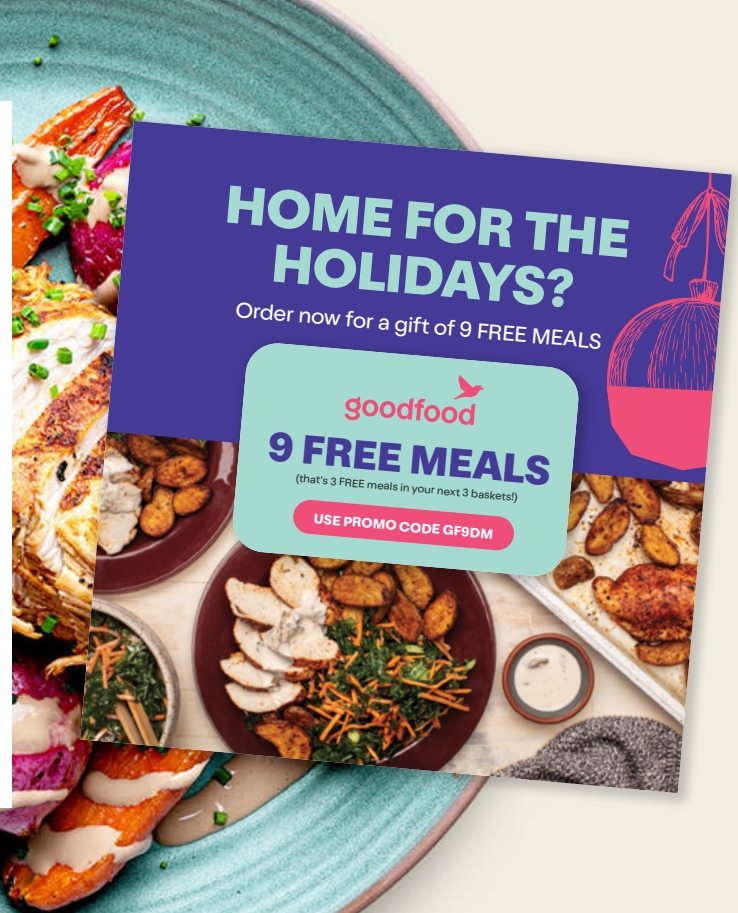




CASE STUDY

Goodfood

Direct mail campaign creates a recipe for success



Clearer understanding of multi-touch attribution grows company's appetite for direct mail.

Founded in 2014, Goodfood Market is an online meal kit and grocery company, based in Montréal, one of the biggest subscription delivery services in Canada with more than one million meals delivered each month.

In the last two years, Goodfood management embraced evolving behaviours and made a strategic decision to enter the online grocery market. The company now looks to build on that decision and scale its on-demand delivery operation with a focus on orders arriving at customers' doors in under 30 minutes.

Seeking clarity for channel impact

A high-growth company competing in a dynamic industry, Goodfood focuses on customer acquisition as its top key performance indicator.

"We just need to get people through the door – the quality of our products will speak for itself once they do. That's

why our marketing efforts and budget focus mainly on acquiring customers at the most efficient cost possible," said Marc-Alain Guilbert, Vice-President of Growth Marketing and Customer Experience.

The company boasts a diverse marketing mix, from direct mail and digital, to TV, radio and out-of-home. That diversity, however, has made it difficult to gauge the relative success of each channel. A lack of strong analytic support meant that most measurements were based on a last-click attribution or coupons people redeemed.

In 2017, Goodfood started using direct mail as its first non-digital channel. The company knew direct mail was driving conversions and not just awareness for its brand, but the marketing team was uncertain exactly how much to attribute to it.

So, they sought out more clarity on its total impact.

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Quantifying direct mail's success in marketing mix

Marketers need to understand which channel actually drives customer interest in order to make informed decisions about the future. Traditionally, there has been a tendency to give credit for customer conversion entirely to the final touchpoint. But this overly simplistic approach offers a skewed view as it fails to account for nonlinear customer behaviour.

To understand the impact of all marketing channels clearly, Guilbert knew a multi-touch attribution model needed to be considered. "We want as much transparency, as much accuracy as possible for each channel," he continued. "But we realized the limitation of the numbers we had. We were playing it by ear, learning on the fly, because there was not enough time in a highly competitive market to do a lot of deep analysis. We were working with incomplete data, for sure."

Seeking that clarity, a matchback analysis was conducted to properly attribute channel success. Its findings "pleasantly surprised" Guilbert, as they showed a dramatically higher response rate in neighbourhoods that received a direct mail piece over areas that did not.

"Our analysis showed that direct mail was bringing in between two to three times more signups than what we initially attributed to this channel," Guilbert said. "That was an amazing learning for us as it built confidence in what we knew instinctively. Knowing the exact magnitude of direct mail's impact, it confirms our further investment in that channel going forward."

"This analysis has definitely given us more appetite for direct mail," added Guilbert.



Growing investment in direct mail

Goodfood needs every edge possible in one of the world's fastest growing ecommerce segments, with news of another well-funded start up seemingly coming every week. "It's taking over the world right now," Guilbert said.

In 2022, the company plans to increase its budget allocated to direct mail in key markets as it launches on-demand grocery services. The marketing team is also continuing to use other Canada Post products and strategies to enhance its direct mail efforts, including predictive eye tracking (PET) to improve creative and Postal Code Targeting (PCT) to hone in on customers.

One early test, for example, is proving PCT to be a viable technique for the brand to deploy as the same number of signups are being generated by a third of the volume of flyers by simply using more advanced targeting techniques.

"That speaks to the power of Canada Post Smartmail Marketing™," Guilbert said. "Driven by its value, and the fact we're seeing consistent returns, direct mail will be a key part of our growth strategy. We will be investing more going forward given the value it brings to the table. Having a partner like Canada Post has been huge and something for which we're really grateful."

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