



In Partnership With:



L2 Intelligence Report

Omnichannel Retail: Canada

DIGITAL DIASPORA



Sixty-eight percent of Canadian online shoppers purchase from retailers headquartered outside of Canada.¹

A subpar shopping experience, coupled with limited product assortment and weak direct-to-consumer infrastructure from domestic players, forces many Canadians to endure steeper shipping costs, extended delivery windows, and import fees. U.S.-headquartered retailers see the opportunity and greet Canadian shoppers with on-site pop-ups boasting international shipping and a seamless transaction experience. Four in ten dollars spent online in Canada are now estimated to flow cross border.²

Influence

While domestic retailers are missing out on a Canadian e-commerce market projected to register double-digit annual growth and reach \$34 billion by 2018,³ they are also failing to recognize an even larger opportunity to influence sales at brick and mortar. While more than a quarter of Canadian consumers research purchases online before purchasing offline, omnichannel investments—intended to drive the customer from clicks to bricks and back again—are limited among Canadian retailers. Sixty-one percent of shoppers cite the ability to view in-store inventory online as “important” or “critical,”⁴ but just 28 percent of Canadian retailers provide this transparency. Furthermore, less than one in four retailers incorporate product video, provide in-store appointment booking services or link to a store locator from their online product pages. Adoption is even more nascent across mobile and tablet devices.

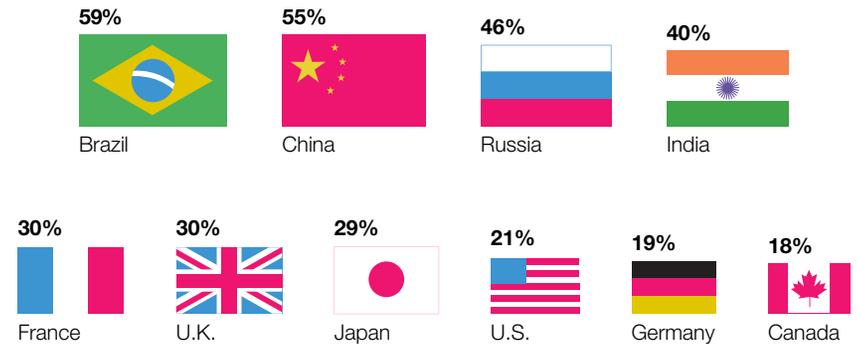
Circling

Omnichannel investments are increasingly critical to ward off the great white shark of retail. Among Canadian shoppers who have made a cross-border online purchase, an overwhelming 72 percent report that a primary incentive is the inability to find product on domestic e-commerce sites (lower prices are cited by just 59 percent of consumers).⁵

Internet Users in Select Countries Who Use Multiple Channels When Shopping

Percentage of Respondents

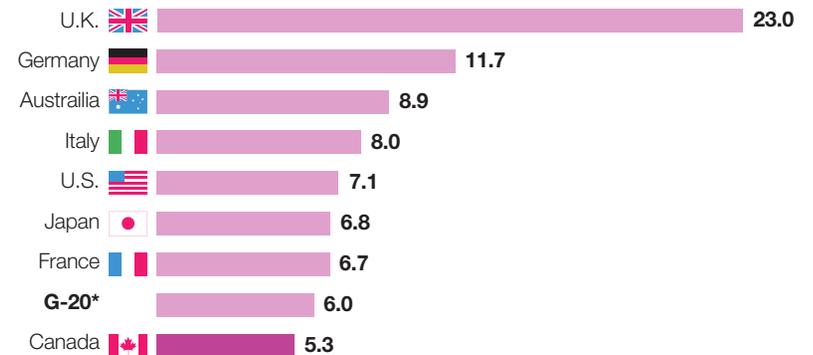
June 2013, n=1,514



Source: “Customer Experience Report,” Cisco Systems, June 5, 2013.

Online Retail as a Percentage of Total Retail

2016 (Projected)

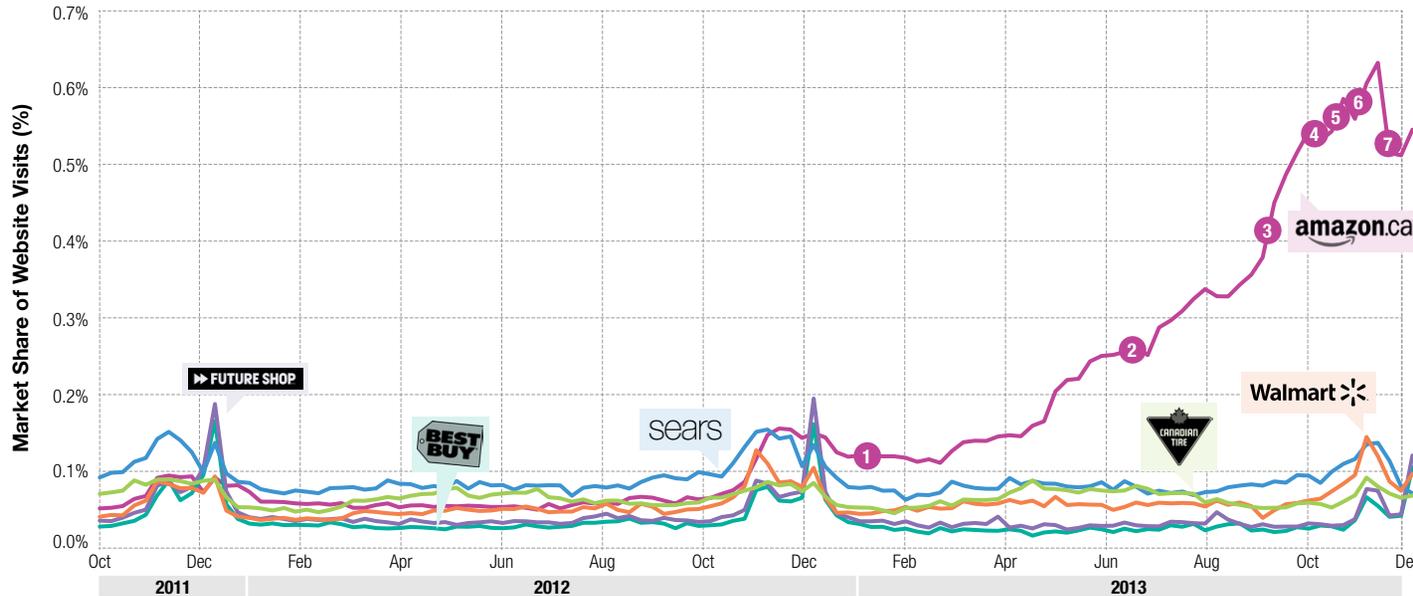


Source: “The Internet Economy in the G-20,” The Boston Consulting Group, March 2012.

1. “Canadian Online Retail Forecast, 2013 To 2018,” Forrester Research, July 24, 2013.
 2. “What keeps online retail in Canada from clicking?,” The Globe and Mail, May 12, 2012.
 3. “Canada Online Retail Forecast, 2013 to 2018.”
 4. “The State Of Canadian Online Retail—2013,” Forrester Research, April 24, 2013.
 5. *Ibid.*

Market Share of Select Website Visits: Canada

October 2011–December 2013



Source: Experian Hitwise Canada.



- 1 **January 8, 2013**
Amazon Prime launches in Canada
- 2 **June 27, 2013**
Toys & Games store launch (315k SKUs)
- 3 **September 23, 2013**
Consumer Electronics store launch (1.6M SKUs)
- 4 **October 5, 2013**
Office Products store launch (350k SKUs)
- 5 **October 10, 2013**
Beauty store launch (160k SKUs)
- 6 **October 31, 2013**
Grocery store (15k SKUs) and Automotive (200k SKUs) store launches
- 7 **November 25, 2013**
Black Friday and Cyber Monday store launch

Product assortment is top-of-mind for the Canadian e-commerce shopper, and one organization stands to benefit (disproportionately)—Amazon. In 2013, Amazon.ca launched 14 new product stores, marking the giant’s entry into a number of highly competitive categories.⁶ The aggressive expansion, combined with the long-anticipated export of Amazon’s Prime service to Canada, has resulted in exponential growth in share, surpassing Walmart Canada, Sears Canada, Canadian Tire, and other traditional retail heavyweights. To repel the great white shark of retail, domestic retailers must leverage their brick-and-mortar footprint—on- and off-line.

Omnichannel = Shareholder Value

This report examines the efforts of 50 retailers operating in the Canadian market to leverage digital in order to create a robust omnichannel offering. L2 benchmarked organizations across 10 categories, examining site, email, digital marketing and mobile data, in an effort to determine the organizations and best practices that deliver an omnichannel experience. Like the medium we are assessing, our approach is dynamic. Please reach out with comments that improve our methodology and findings.

Regards,
L2 & Google

6. "Amazon Expands in Canada," Internet Retailer, November 1, 2013.

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🔍 Click screen shots with this icon to view online.



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The Methodology

The Methodology

Site & E-Commerce

Site Domain & Architecture

Domain Type, E-Commerce Availability, Country-Switching

E-Commerce Sophistication

On-Site Search, Product Merchandizing, Ratings & Reviews, Cross-Selling, Live Chat

Inventory & Integrated Fulfillment

In-Stock Notices, Real-Time In-Store Inventory, Online Purchase/In-Store Pick-Up, Online Reservation/In-Store Pick-up, Online Return Policy

Shipping

Free Shipping, Shipping Thresholds, Expedited Shipping, International Shipping

Store Locator

Geolocation, Search/Filtering Capabilities, Store Contact Information, Mapping

In-Store Integration

Promotion of In-Store Services/Events, Appointment Booking Functionality, Event RSVP Functionality, Shopping List Tools

Email, CRM, & Loyalty

Newsletter Sign-Up

Promotion, Opt-In Incentives, Email Pop-Up, Customer Data Capture/Segmentation

Site Account

Availability, Customer Data Capture, Email Communication Management

Email

Volume, Cadence, Segmentation, Geolocal Messaging, Triggered Emails

Cross-Channel Messaging

Promotion of Online/Offline Deals, Promotion of Fulfillment Options, Promotion of Mobile Apps, Links to Store Locator

Promotionality

Volume/Cadence of Holiday Messaging

Loyalty Programs

Availability, E-Commerce Integration, Credit Card Integration, Mobile App Integration, Tiered Programs

Online/Mobile Couponing Initiatives

Digital Marketing

Search Engine Marketing

Paid Search Presence, Cross-Market Analysis

SEM Tactics

Use of Sitelink Extensions, Location Extensions, Social Extensions, Communication Extensions, Image Extensions

Social Media Marketing

Social Platforms Presence (Facebook, Twitter, YouTube, Instagram, Pinterest, Google+), Main Account Activity, Location-Specific Account Activity

SMM Tactics

Promotion/Integration of Customer Service, Store Locator, Offline Offers, Events, Mobile Apps, Email Newsletter

Cross-Channel Digital Campaigns

Mobile

Mobile Site

Mobile Site Configuration, Mobile Store Locator, M-Commerce Optimization

Omnichannel Functionality

Real-Time In-Store Inventory, In-Store Pick-Up, User Ratings and Reviews, Link to Store Locator, Appointment Booking

Mobile Apps

Availability, Popularity, Omnichannel Functionality

Tablet Site & Optimization



The Methodology

About The Methodology

Site & E-Commerce

Retailers allocate significant capital (financial and human) towards creating welcoming, attractive stores that are optimized for driving sales. These investments are not matched online—retailer websites in Canada are not built and then iterated on with the same level of priority and attention to detail as physical storefronts. Unlike other branded properties across the web, including social media platforms and search real estate, sites are typically retailers' only wholly owned online destinations. They should reflect the core values of the brand, matching or besting the experience delivered at retail.

A strong omnichannel site not only incorporates functionalities that drive online conversion, but also increases offline sales by pushing the consumer to store via robust product and inventory information, store locator tools, and promotion of in-store events and services.

Email, CRM, & Loyalty

Consumers expect a consistent, relevant brand experience regardless of whether they are shopping with a retailer online, in-store or via a mobile device. Canadian retailers must establish the capability to track customers across channels and deliver on personalization at all touch points. An effective retailer CRM initiative is the connective tissue that enables success on- and offline.

A sophisticated omnichannel CRM strategy integrates loyalty programs to collect consumer data (both self-supplied and behavioral), and leverages email marketing to talk to customers in a way that is relevant to each individual.

Digital Marketing

SEM allows retailers to market directly to consumers who have already “raised their hand” by expressing interest in a particular brand or product via search behavior. The value proposition of SEM is unmatched by the majority of other digital and traditional marketing vehicles, yet Canadian retailers underinvest in the channel, particularly as compared to retailer activity in other markets. Social media, moving towards a pay-to-play model across platforms, looks and feels more like a traditional media outlet by the day, providing retailers with an additional means of communicating with customers (although the channel should be leveraged for brand awareness versus targeted marketing).

Digital marketing should be an integral part of Canadian retailers' omnichannel strategies, and push consumers to both sites and retail via tactical investments such as category-specific key word purchasing, SEM location extensions and strategic sitelinks on Google.ca.

Mobile

Consumers use mobile devices to browse sites during leisure hours (tablets) and search for product/retailer information on the go and in-store (smartphones). The distinct use cases—occurring when the customer is deep in the purchase funnel—necessitate a robust mobile strategy that captures and converts customer interest into sales. An app strategy provides an additional way for retailers to connect with their most loyal customers, who seek a convenient way to assist in-store shopping via bar code scanners and shopping list tools, track loyalty program activity, and save coupons for in-store use.

A mobile strategy is core—not peripheral—to omnichannel success, and Canadian retailers must build and iterate on mobile sites, tablet sites, and apps that facilitate m-influence, more so than negligible m-commerce.

“



It isn't enough to have a website, or have a mobile site, or show up on search, or have a social presence. It's the executional details—and small nuances of how retailers leverage these platforms to extend their brand and customer experience—that will differentiate the future winners from losers.”

CHRIS HODGSON

Sector Lead—Multichannel Solutions

Brand List

in Alphabetical Order by Sector

• Headquartered in Canada

Big Box (n=5)



Food & Drug (n=7)



Department Stores (n=4)

HOLT RENFREW •

HUDSON'S BAY •

Sears •

WINNERS •

Telco (n=3)

Bell •

ROGERS •

TELUS •

Electronics (n=4)



Pureplay (n=2)

amazon.ca



Home Improvement (n=4)

RONA •



Specialty Retail (n=8)



Indigo •

lululemon athletic •



PET SMART

SEPHORA

SPORT CHEK •

TOYS R US

Furniture (n=3)

The BRICK •



Apparel (n=10)

ALDO •

Artizia •



H&M

HARRY ROSEN •

JOE FRESH •

Mark's •

Reitmans •



ZARA

Note: Complete email data set unavailable for Rogers, Bell, Telus, MEC, Indigo.

Key Findings *Site & E-Commerce*



Nascent E-Commerce Cedes Advantage to International Retailers

Of the 50 retailers in the L2 study, 78 percent offer full e-commerce in Canada. The 11 holdouts have a weak legacy in direct-to-consumer e-commerce. Two retailers, Target and H&M, operate e-commerce in other markets but have not made corresponding investments in Canada. Canadian Tire shuttered early e-commerce efforts; the retailer's DTC comeback is limited to a 30-location ship-to-store e-commerce pilot, launched in November 2013 (although it has sold tires online since 2011). Similarly, Hudson's Bay abandoned e-commerce in 2009 but relaunched its e-store, while department store competitor Holt Renfrew only sells gift cards online—a paltry offering in comparison.⁷

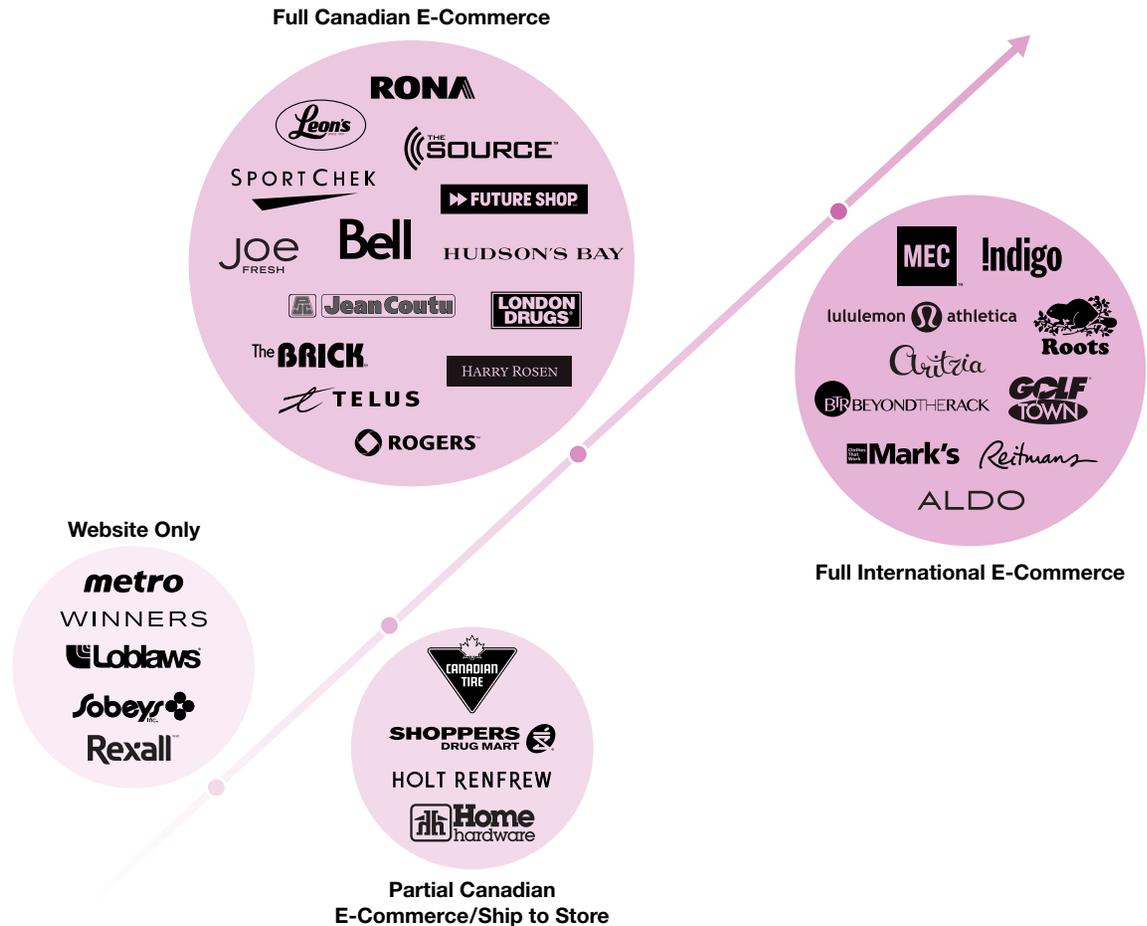
Shoppers Drug Mart has been quietly testing online selling via its beauty portal, Murale.ca, since April 2012. However, the beauty destination has not yet been integrated into the larger ShoppersDrugMart.ca universe—despite Murale's integration with Shoppers' behemoth Optimum loyalty program. In addition to disappointing customers, the stop-and-start approach to e-commerce in Canada has robbed organizations of momentum and the ability to test and learn online—ceding the advantage to retailers headquartered abroad, most pursuing an e-commerce strategy for over a decade.

A reversal of the tides will require serious retailer commitment to an iterative omnichannel strategy with digital at its core, a capital commitment that must be championed at the executive level. The organizations that win in Canada will be those that put in place the technological (POS, fulfillment and CRM infrastructure), organizational, and incentive structures for omnichannel success—in some instances, making speculative investments in these areas in order to realize disproportionate gains in market share.

7. "What keeps online retail in Canada from clicking?," The Globe and Mail, May 12, 2012.

E-Commerce Availability of Retailers Headquartered in Canada

January 2014, n=33



The implications of Canadian retailers' historic lack of investment will only truly be appreciated in three to five years, when the retail industry globalizes and Canadian companies are unable to compete in efficiency and customer service on the world stage.



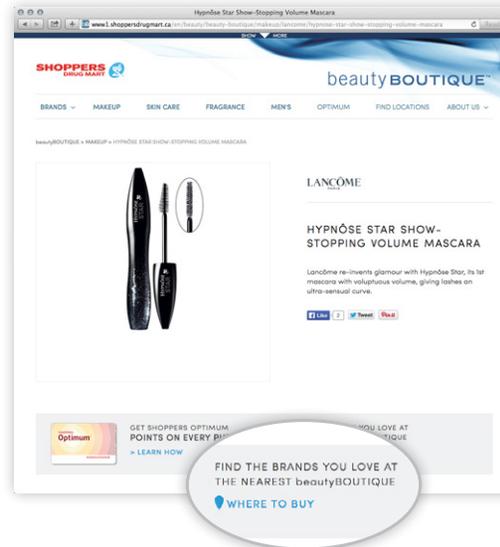
CHRIS HODGSON
Sector Lead—Multichannel Solutions

Key Findings *Site & E-Commerce*

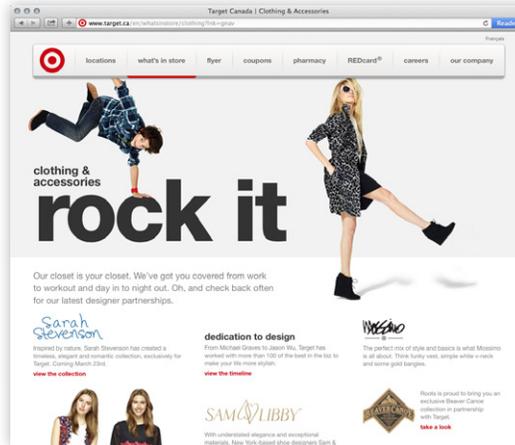
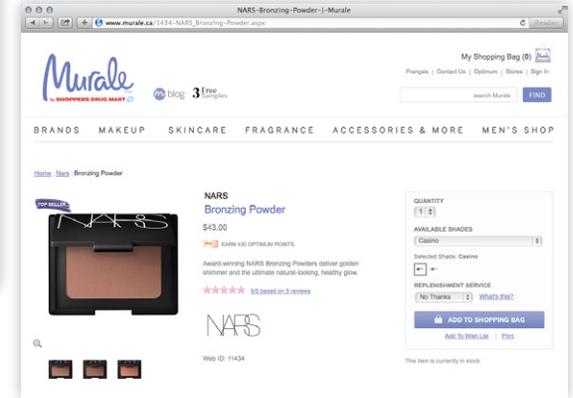
Ignoring the Opportunity for International Expansion Via E-Commerce

Just ten of the 33 retailers headquartered in Canada provide shipping to the U.S. and other countries. The reluctance of Canadian organizations to embrace international e-commerce—and launch of a global retail footprint—stands in contrast to the scores of U.S.- and U.K.-based retailers who have grown businesses abroad. In some cases, digital efforts have yet to catch brick-and-mortar expansion—for instance, Joe Fresh, which entered the U.S. market in 2011, still ships only within Canada (the brand launched e-commerce Fall 2013). Canadian companies are ignoring the opportunity for international expansion via e-commerce.

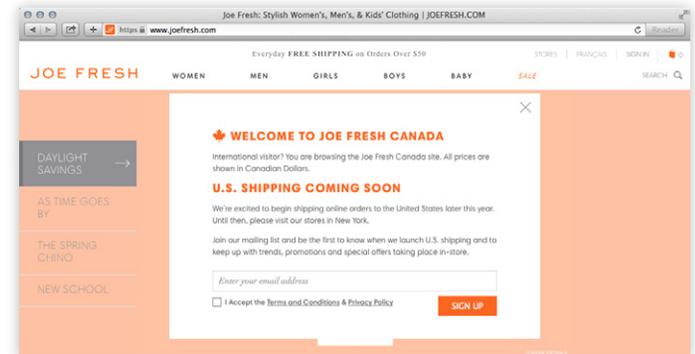
In contrast, international growth in online sales for U.K. retailers is expected to outpace domestic online growth, and account for 40 percent of total online sales by 2020.⁸ Organizations headquartered in the U.K. approach retail with the mindset that internationalization is the norm—74 percent of the top 100 retail sites in the U.K. ship globally, with 21 percent delivering to over 100 countries. Cumulatively, online international trade for the six largest e-commerce markets is expected to grow fivefold to \$130 billion in 2020, a lucrative revenue center that Canadian retailers are not currently positioned to enjoy.⁹



Although Shoppers Drug Mart Beauty Boutique pages link to store locator, the e-commerce Murale.ca is not integrated.



Target.ca brochureware, displaying a billboard of brands available in store—vs. company's robust U.S. e-commerce site.



Joe Fresh greets U.S. shoppers with pop-up “U.S. Shipping Coming Soon.”

8. “Britain’s Retail E-mpire,” OC&C Strategy Consultants, 2013,
9. “The Global Retail E-mpire,” OC&C Strategy Consultants, 2013.

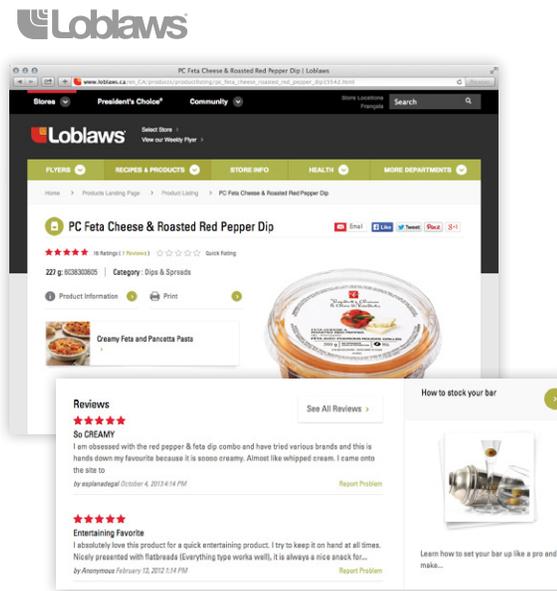
Key Findings *Site & E-Commerce*

Robust Site Investments Are Recognized In-Store

The sophistication of Canadian e-commerce sites lags U.S. and U.K. peers. Retailers operating in the Canadian market have been slower to introduce conversion-boosting site features including user reviews, live chat and product page video.

Canadian retailers without a direct-to-consumer e-commerce offering are less likely to adopt the aforementioned features, and basic e-commerce site features, such as on-site search and cross-selling engines. However, some retailers buck this trend—both Loblaws and Canadian Tire host product ratings and reviews on site, and Canadian Tire is the only retailer in the study without a full e-commerce offering to integrate videos into product pages. These retailers recognize that the lion's share of return on a robust site offering is realized in-store, via increased foot traffic from customers who researched online first, then converted offline. However, the majority of retailers without a DTC offering (and even many who do sell online) have not made the same requisite investments to move the needle, and offer customers feeble sites that do little to influence sales.

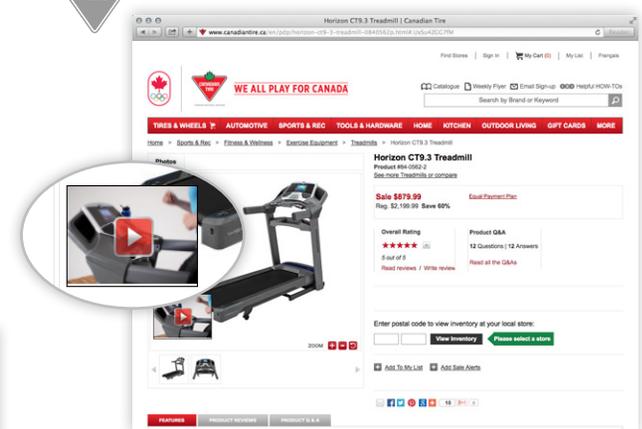
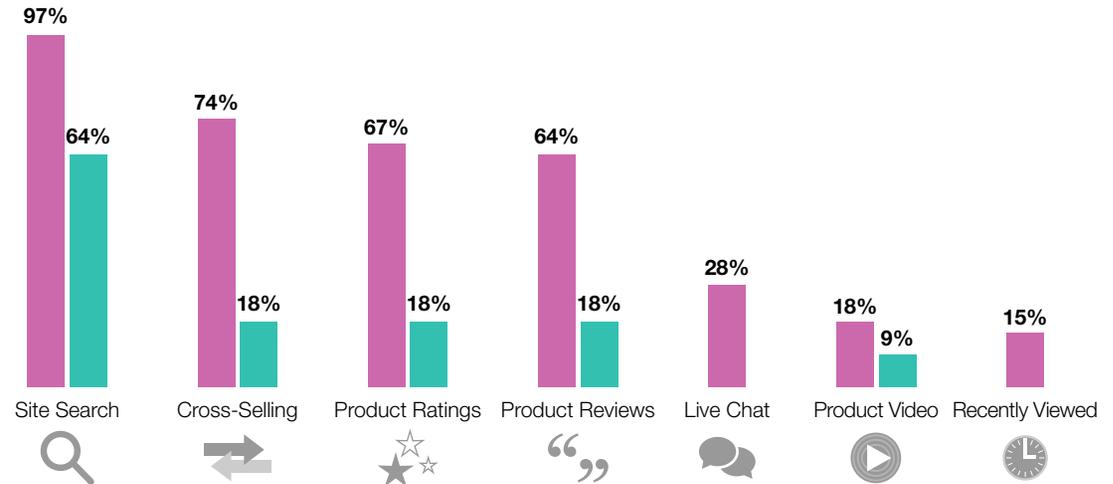
Loblaws has rolled out traditional product pages featuring ratings and reviews, cross-selling, and integrated recipes.



Features Available on Retailers' Canadian Sites E-Commerce vs. Non-E-Commerce-Enabled Retailers

December 2013

■ E-Commerce-Enabled, n=39 ■ Non-E-Commerce-Enabled, n=11



Canadian Tire merchandises select SKUs via product page video.

Key Findings *Site & E-Commerce*

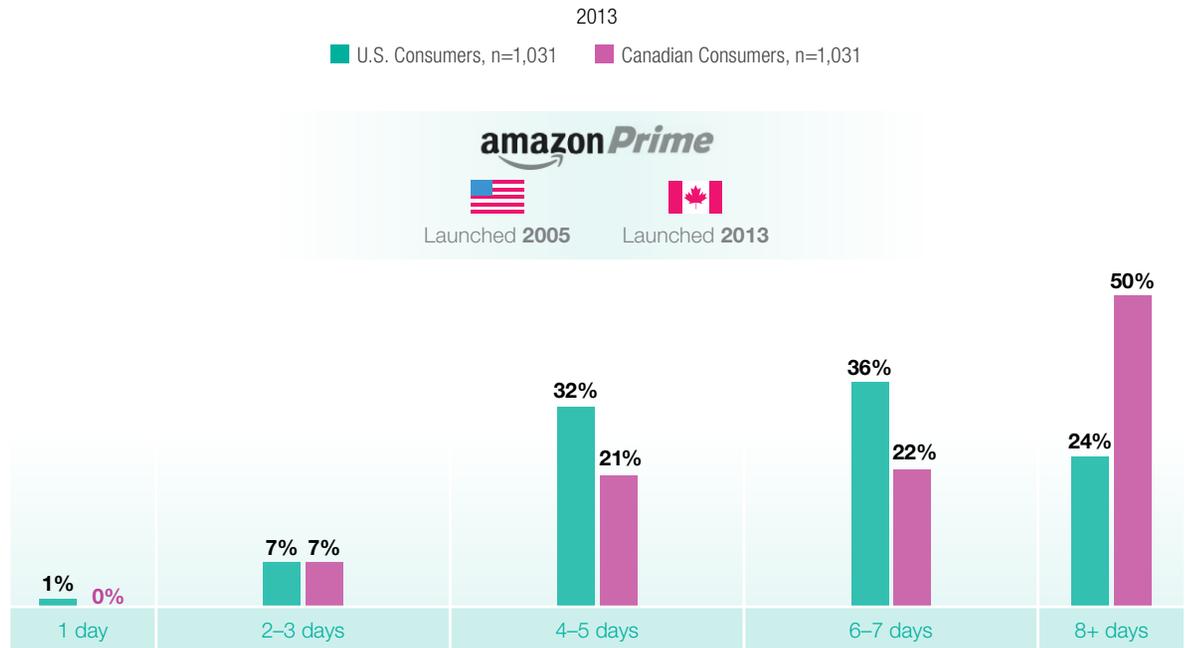


Access to Superior Fulfillment Fundamentally Changes Customer Expectations

Ease of checkout is more likely to drive online shopping satisfaction among Canadian consumers than variety of brands and products.¹⁰ In addition, free shipping and timely delivery prompt positive online retailer recommendations among 65 percent and 53 percent of Canadian online shoppers, respectively, suggesting operational excellence bests product selection, branding, and merchandising.¹¹

Data indicates that Amazon's awesome investment in delivery infrastructure and Prime program will fundamentally shape Canadian consumer expectations regarding fulfillment. Canadians are willing to wait an average of 9.8 days to receive an online purchase—the longest of any country indexed in a UPS & comScore study. Conversely, Americans' expectations have been trimmed three days, the byproduct of ten years of access to Prime and me-too express shipping services. Retailers operating in Canada must prepare for a similar shift (towards "impatience") as Amazon.ca's Prime offering takes hold in the market. Only four brands in the study (Lowe's, Rogers, Best Buy and Future Shop) take a forward-looking stance, offering free expedited shipping (within 1 to 3 days).

Self-Reported Days Willing to Wait for E-Commerce Purchases



Source: "UPS Pulse of the Online Shopper, Canada Study" and "UPS Pulse of the Online Shopper, U.S. Study," comScore and UPS.

10. "UPS Pulse of the Online Shopper, Canada Study," comScore and UPS, September 2013.

11. *Ibid.*

Key Findings *Site & E-Commerce*



Focus Shipping Infrastructure on Key Population Centers

Canada's high-density population "ribbon," spanning Vancouver to Halifax, is expensive to traverse, vs. the optimized "hub and spoke" distribution system seen in the U.S.¹² However, the majority of retailers have yet to capitalize on the urbanized landscape by focusing fulfillment infrastructure around key cities in Canada, an opportunity to serve the vast majority of the population expediently. Prudent Amazon took this strategy when launching Prime in Canada—the e-tailer focused on key population centers only, with hundreds of more remote postal codes still ineligible for Prime service. In addition to beefing up shipping infrastructure, retailers should leverage their store networks as an additional means of providing expedient and convenient delivery, via ship-to-store options and integrated POS solutions that enable in-store pick-up.



“Canadians’ expectations will change quickly as they are increasingly exposed to international e-commerce companies, and as Amazon.ca ramps up its capabilities and breadth of offer in Canada.”

RAFE PETKOVIC
 Head of Industry—Retail

Lowe's differentiates by providing free two-to three-day day shipping on orders that qualify for parcel shipping.



Amazon focused on key population centers when launching Prime in Canada, leaving hundreds of Canadian postal codes ineligible for Prime service.

Eligible Addresses

Amazon Prime members are entitled to FREE Two-Day Shipping on all items marked as 'Amazon Prime eligible' delivered to eligible addresses and FREE Standard Shipping on all items marked as Amazon Prime eligible delivered to all other Canada locations. An upgrade to One-Day Shipping is available for those items that are eligible for FREE Two-Day Shipping and shipped to eligible addresses. On the product detail page of eligible items it will indicate the amount of time available left to order that day for One-Day and Two-Day Shipping, if available. See the "Eligible Purchases" section of the Amazon Prime Terms and Conditions for full eligibility rules.

Table 1: Ineligible Postal Codes for One-Day and Two-Day Shipping (if your postal code is shown on the table, your order will qualify for FREE Standard Shipping)

Note: Prime is not available for customers who purchase products for the purpose of resale or use Prime to ship products to their customers or potential customers.

SEPHORA

Sephora piloted a subscription shipping program in the U.S., offering unlimited two-day delivery for \$25 per year, but has yet to roll out "Flash" in Canada.

12. "The e-commerce lesson Canadian retailers still need to learn," Yahoo! Canada Finance, November 26, 2013.

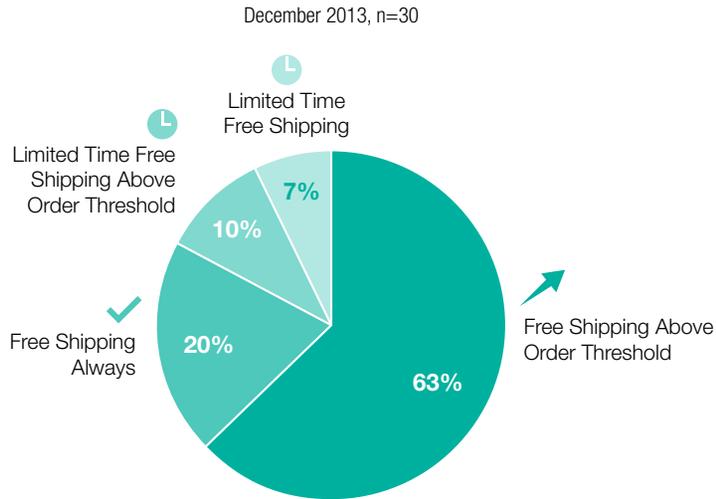
Key Findings *Site & E-Commerce*

Amazon Prime Requires an Offensive Strategy from Retailers

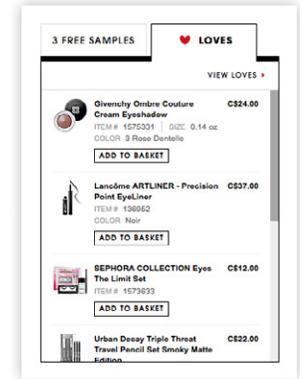
As Amazon continues its invasion of the Canadian market, retailers need to address shifting expectations regarding fulfillment, including pricing schemes and time. Already, 63 percent of Internet users in Canada report free shipping is a leading reason for purchasing holiday gifts digitally.¹³ Six retailers (Bell, Lowe's, Lululemon, Rogers, Telus and Walmart) are starting to play offense, and provide free shipping on all orders, regardless of basket size. For home improvement retailer Lowe's, free shipping is offered for qualifying "Parcel Shipping" items; additionally, Rogers, Bell and TELUS provide free shipping to wireless service subscribers.

Of the 39 fully e-commerce-enabled retailers in the study, 77 percent provide some type of free shipping offer, the majority offering free shipping once a spend threshold is met. Opportunities to boost cart size via free shipping thresholds remain unrealized—of the 22 retailers with a shipping threshold, just six promote the spend amount remaining to earn free shipping. Of these, all six cross-sell products in the shopping cart to push consumers over the threshold.

Free Shipping Offer Types
Among E-Commerce-Enabled Retailers Offering Free Shipping



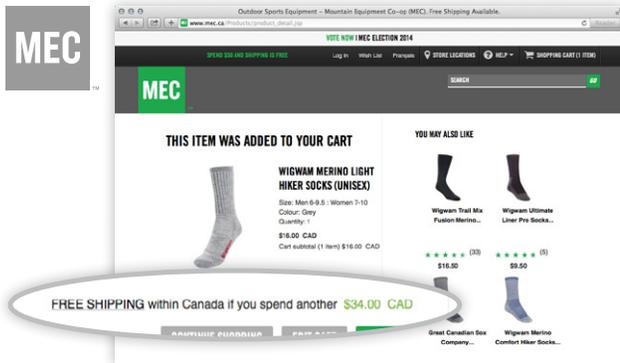
SEPHORA



In addition to promoting impulse-buy "Beauty Grabs" in the cart, Sephora cross-sells a user's "Loves" list.

Free Shipping Threshold Amounts

December 2013, n=30



MEC cross-sells similar items to encourage users to reach the \$50 free shipping threshold.

13. "2013 Holiday Shopping Survey Canada," Accenture, November 6, 2013.

* Free shipping offer promoted as limited time only.
** \$45 threshold with HBC card.

Key Findings *Site & E-Commerce*



Integrated Inventory Separates Leaders from Laggards

Integrated fulfillment, including in-store pick-up, has begun to penetrate the Canadian retail landscape. A number of national chains are leveraging their retail footprint to fulfill online orders and assuage high shipping costs—forcing laggard retailers to catch up or be left behind. The investment is in step with consumer preferences—35 percent of Canadians indicate the service is convenient, provided the retailer has a store nearby.¹⁴

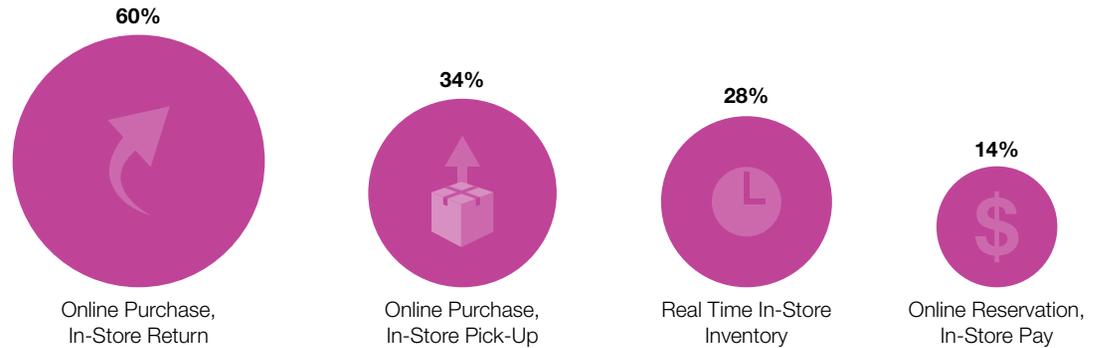
A third of retailers in the study offer the option to pick up an e-commerce purchase in-store, and an additional 14 percent allow customers to reserve a product online and both pick up and pay for the order at a brick-and-mortar location (including five Food & Drug retailers that offer the service for prescriptions). Additionally, 60 percent allow in-store e-commerce returns, a service that 65 percent of Canadians report make them more likely to shop with a retailer.¹⁵

Fourteen retailers in the study integrate real-time inventory on their site, allowing customers to locate a specific SKU at the closest retail location. Of these, Canadian Tire is the only chain to offer real-time inventory in the absence of a full direct-to-consumer e-commerce experience. Canadian Tire also allows shoppers to identify their preferred store on its site, and dynamically updates inventory across all product pages.

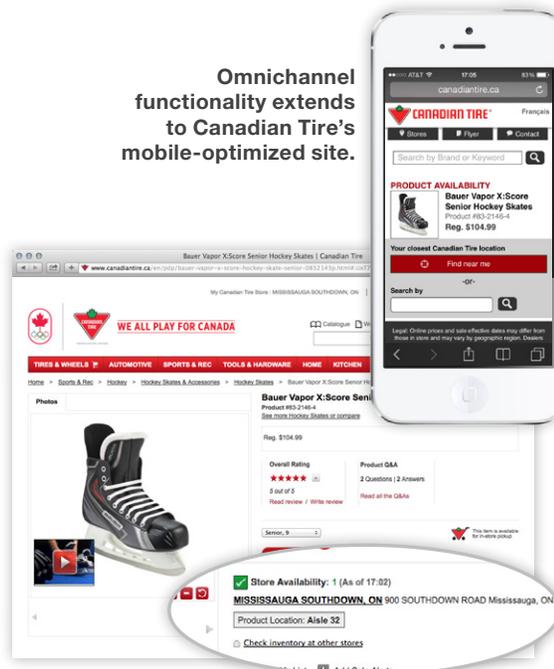
Three retailers, including Staples, London Drugs, and The Source offer real-time inventory on their desktop experience—not yet on mobile.

Integrated Inventory and Fulfillment Capabilities Available on Retailers' Canadian Sites

December 2013, n=50

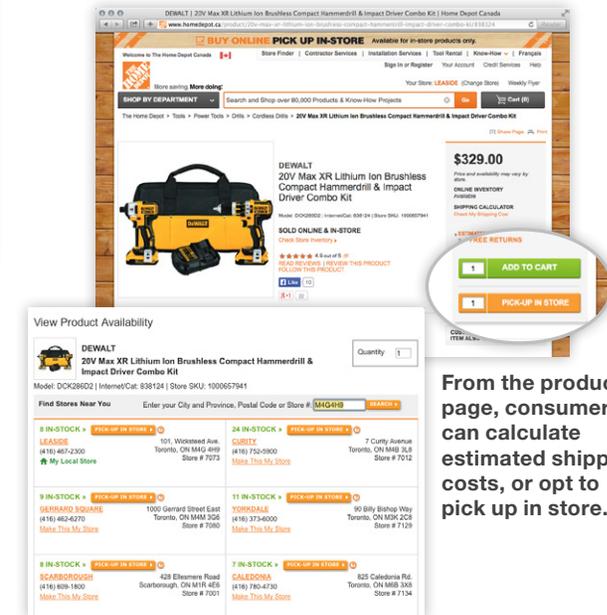


Omnichannel functionality extends to Canadian Tire's mobile-optimized site.



In addition to providing in-store availability information, Canadian Tire maps each product to a specific aisle across individual locations.

Consumers are asked to identify a primary Home Depot location; real-time inventory updates are displayed across all nearby stores.



From the product page, consumers can calculate estimated shipping costs, or opt to pick up in store.

14. "UPS Pulse of the Online Shopper, Canada Study," comScore and UPS, September 2013.
 15. *Ibid.*

Key Findings *Site & E-Commerce*



Canadian Department Stores Trail in Omnichannel

In L2's U.S. Multichannel Retail study, department stores lead in multichannel investments. In Canada, Sears is the only retailer in the Department Store category to offer in-store pick-up to consumers.

In fiscal 2011, Hudson's Bay made a \$10.6 million CAD investment in its omnichannel strategy to tie together in-store, online, and mobile commerce.¹⁶ The technology allows online fulfillment centers to draw from in-store inventories; the investment has not yet enabled customers to look up real-time inventory from the brand site or opt to pick-up products in-store. Neither Winners nor Holt Renfrew offer e-commerce (beyond Holf Renfrew online gift card sales).

Led by early omnichannel innovators, including Nordstrom which introduced in-store pick-up across its locations in 2008 and Macy's which began fulfilling e-commerce orders out of stores in 2012), robust online-offline integration has been a lifeline for the struggling Department Store channel in the U.S. Retailers in the U.K. have also been early to embrace "click and collect," with innovators such as John Lewis partnering with sister brand Waitrose to expand their network of collection locations eight-fold.¹⁷

The failure of Canadian department store brands to introduce omnichannel investments could foreshadow tumult ahead for many organizations—particularly given escalating competition in the space as Nordstrom and Saks Fifth Avenue enter the Canadian market. These organizations have been successful at translating omnichannel investments into overall business wins—within 11 months, Nordstrom was able to grow same-store sales an average of 8 percent via the launch of real-time inventory in 2009.¹⁸

16. "Hudson's Bay projects 70% e-commerce growth as it prepares to go public," Internet Retailer, October 19, 2012

17. "Click and collect – the new way to go shopping," The Telegraph, January 8, 2013.

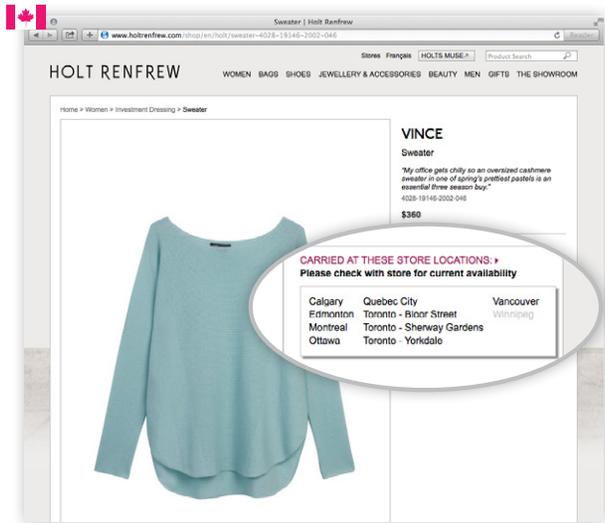
18. "Nordstrom Links Online Inventory to Real World," The New York Times, August 23, 2010.

Department Store Omnichannel Investments vs. International Competitive Set

June–December 2013

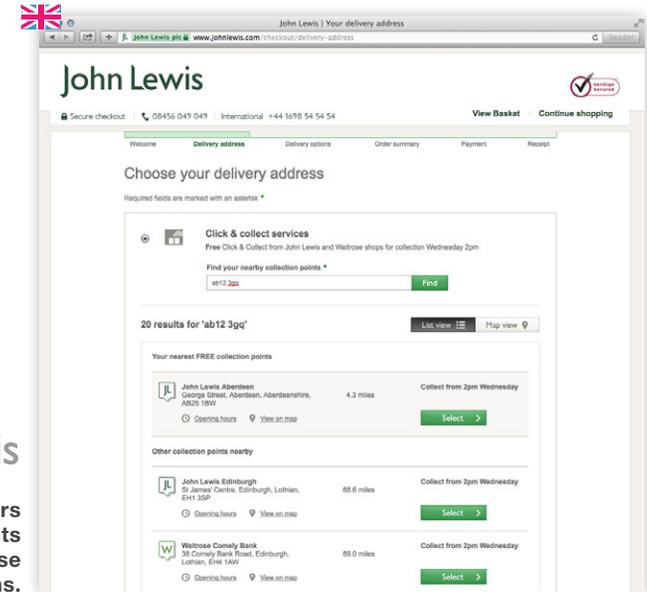
Department Store	HQ Country	E-Commerce	Online Purchase/ In-Store Return	Online Purchase/ In-Store Pick-Up	Real Time In-Store Inventory
Bloomingdale's		✓	✓	✓	✓
House of Fraser		✓	✓	✓	✓
Neiman Marcus		✓	✓	✓	✓
Nordstrom		✓	✓	✓	✓
Harvey Nichols		✓	✓	✓	
John Lewis		✓	✓	✓	
Macy's		✓	✓	✓	
Marks & Spencer		✓	✓	✓	
Sears Canada		✓	✓	✓	
Hudson's Bay		✓	✓		
Saks Fifth Avenue		✓	✓		
Harrods		✓			
Holt Renfrew					
Winners					

Key Findings *Site & E-Commerce*



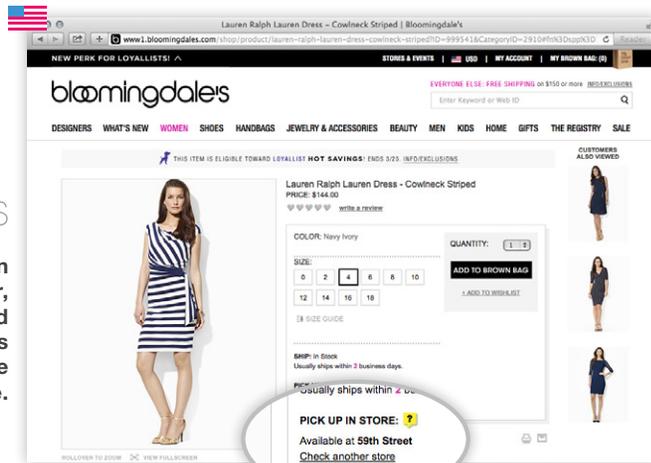
HOLT RENFREW

Although Holt Renfrew lists the locations where specific products are carried, the lack of real-time inventory makes it impossible to check stock status for specific size and color preferences.



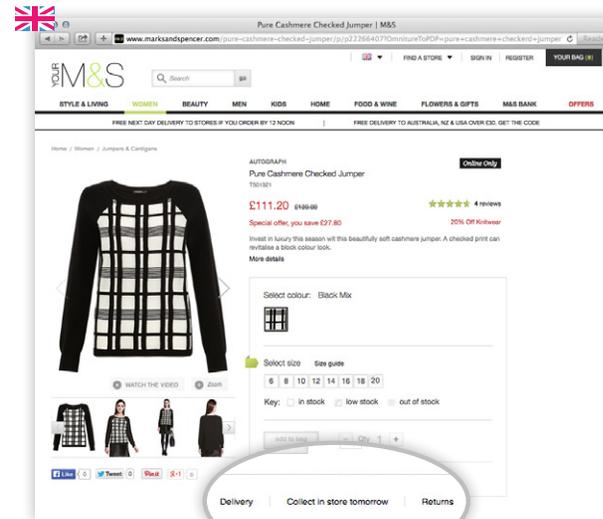
John Lewis

John Lewis shoppers can collect products at over 300 Waitrose grocery store locations.



bloomingdales

Bloomingdale's is an omnichannel leader, providing integrated fulfillment and returns as well as real-time inventory on-site.



YOUR M&S

"Click and collect" has become the standard for U.K. retailers; Marks & Spencer provides free next-day delivery to stores.

Key Findings *Site & E-Commerce*

Misaligned Incentive Structures Hinder Omnichannel Efforts

For retailers that have made the operational investments to deliver an omnichannel shopping experience, customer education remains a hurdle. While 23 retailers in the study offer online purchase or reservation with in-store pick-up, just four—Best Buy, The Home Depot, Lowe’s, and Rexall—actively promoted these services in email messaging over a six-week period in Q4 2013—the peak time frame for marketing to busy holiday shoppers.

In many cases, organizational barriers are to blame. E-commerce teams are often tasked with aggressive growth of the online business and are not incentivized to drive customers to stores (despite the fact that 99 percent of retail sales in Canada occur in-store).¹⁹ Conversely, there is often limited education in place for in-store sales associates and other brick-and-mortar touch-points around the value of customer data capture and customer resources available online.

Omnichannel Email Tactics

- Promotions clearly advertised as being available online/in-store.
- Integrated fulfillment options (in-store pick-up) consistently highlighted.
- Prominent links to store locator in email creative.
- Push to download mobile app offerings.
- Consistent spotlighting of loyalty programs.
- Integration of cross-channel digital content (tutorials, video, etc.).
- Marketing of in-store events, contests and services with link to book/RSVP.

“ Retailers that break down silos and are able to fully understand the full value of what digital is delivering—in-store as well as online—are able to justify investment in resources to take a leadership position and drive growth.”

RAFE PETKOVIC
Head of Industry—Retail



Fulfillment options, including free shipping and in-store pick-up, are promoted in Best Buy emails.



In addition to the persistent “Buy Online & Pickup In Store” header, Lowe’s integrates links to the store locator into email creative.



19. “Hudson’s Bay Company proves search advertising leads to in-store sales,” Google Canada, June 5, 2013.

Key Findings *Site & E-Commerce*

Digital Promotion of In-Store Events/ Services Drives Foot Traffic

Although more than half of retailers in the study promote in-store services online, and an additional 27 percent promote in-store events, only a fraction integrate these offerings into their digital channels, allowing customers to book appointments or RSVP for events online.

While nearly a quarter (24 percent) of brands in L2's U.S. Multichannel Retail report allow shoppers to book services online—ranging from makeovers and monogramming to tailoring and repairs—just 17 percent of retailers in the Canadian study provide a comparable functionality on their site. The gulf is greater on mobile—while seven brands in the U.S. study permit users to sign up for events or book appointments via their mobile sites, Sephora is the only retailer to provide a mobile tool in Canada.

In-Store Events, Tools, and Services Promoted on Retailers' Canadian Site

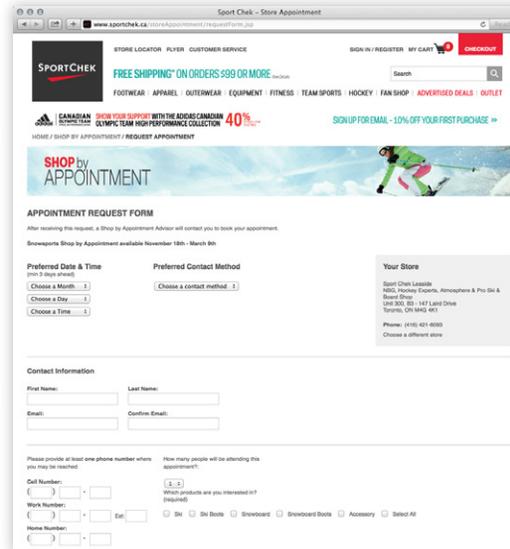
December 2013, n=48



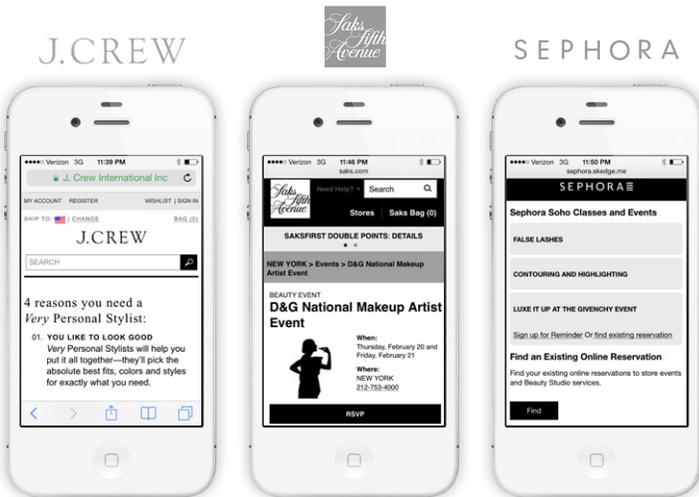
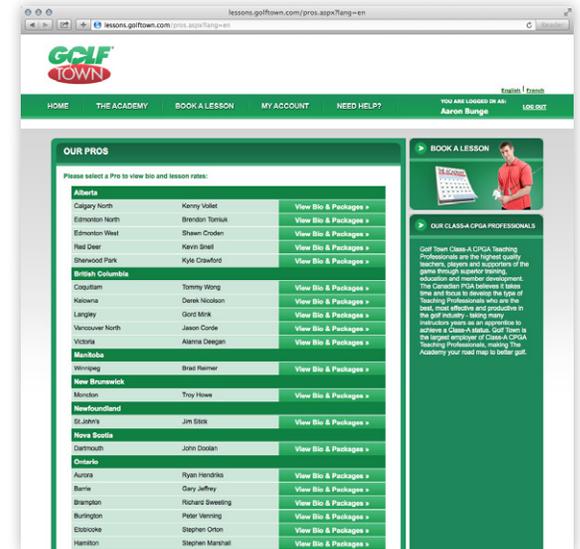
Note: excludes Pure Play retailers.



Sport Chek allows customers to shop by appointment for ski and snowboard equipment during the winter season.



Brand loyalists can book lessons through Golf Town's "The Academy" microsite.



Few retailers in the Canadian market have extended online event and appointment booking to the mobile site, as provided by the likes of J.Crew and Saks Fifth Avenue.

Key Findings *Email, CRM, Loyalty*



Data-Driven Email Programs Drive Online and Offline Sales

The majority of Canadian Internet users subscribe to at least one commercial newsletter from a brand or retailer. Of the 93 percent who have opted into email marketing, 44 percent report making a purchase as a result of an email—highlighting the power of email marketing.²⁰

When excluding flash sale giant Beyond the Rack—which emails its customer base 20 times per week—retailers average 2.4 emails per week. One-third of retailers email their general database less than twice per week.

While there is no magic bullet frequency of email to maximize online and in-store sales—the “correct” number varies retailer-to-retailer and customer-to-customer—successful teams use KPIs to inform messaging strategy (including open, clickthrough, conversion, and unsubscribe rates). A sophisticated email program is one of the fastest paths to overall business growth—and according to U.S. data, accounts for seven percent of e-commerce customer acquisition by retailers (topped only by organic search and SEM).²¹

Big Box retailers are the least aggressive in message volume, despite the category’s inflation by Walmart’s four messages per week (still fewer than the seven weekly emails being sent to Walmart customers in the U.S.). Notably, Target has one of the greatest drop-offs in messaging volume north of the border. While subscribers in the U.S. market receive more than five emails per week, Canadian customers are messaged one to two times per week—a missed opportunity to familiarize consumers with the new brand.

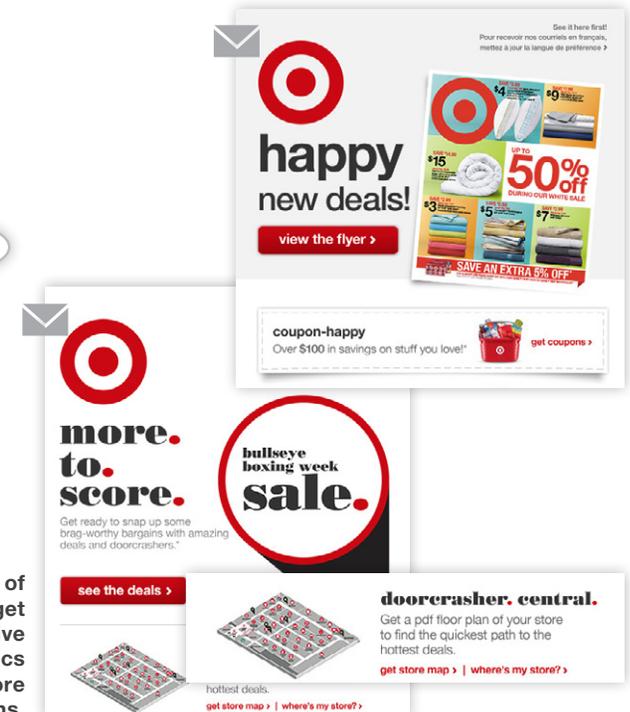
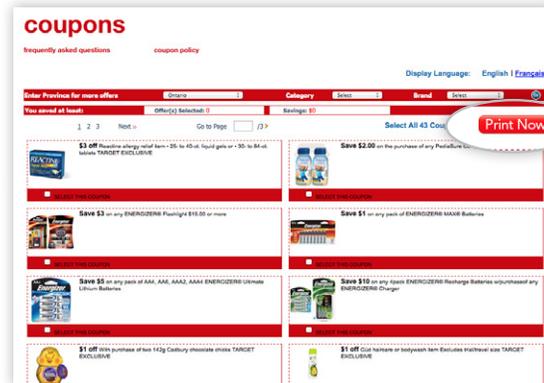
Number of Emails Received per Week

Average Volume Per Category

November 2013–January 2014, n=45



Print-only coupons available on Target.ca are archaic; the brand’s popular mobile couponing app, Cartwheel, has yet to be ported to Canada.



In the absence of e-commerce, Target Canada emails drive to store via tactics like doorcrasher store maps and coupons.

20. “The Digital North,” ExactTarget, June 12, 2013.

21. “E-Commerce Customer Acquisition Snapshot,” Custora, Q2 2013.

Key Findings *Email, CRM, Loyalty*

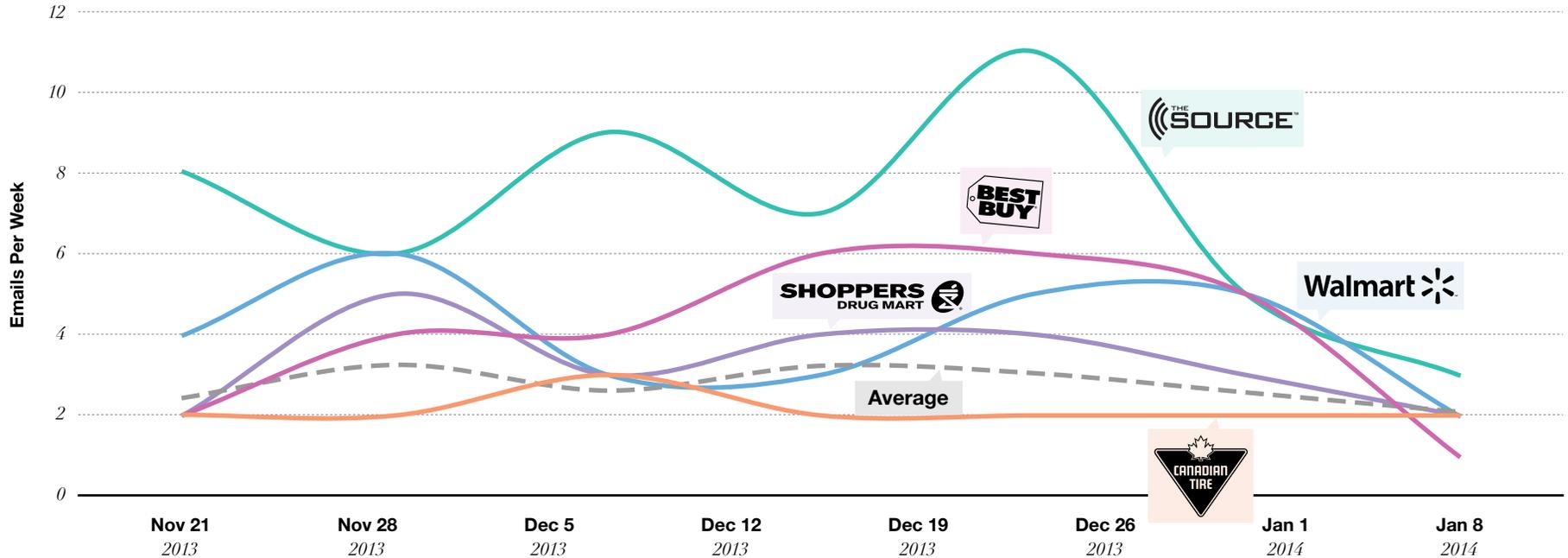


SPOTLIGHT: Email Frequency



Email Frequency: Select Retailers vs. Index Average

November 2013–January 2014



Canadian Tire's email frequency remains below average throughout the holidays, even as the retailer attempts to scale its ship-to-store offering.



Conversely, despite the absence of full e-commerce, Shoppers Drug Mart leverages email and sends an above-average number of messages to subscribers.



One of the most effective omnichannel email marketers in the study, Best Buy consistently promotes its reserve online, pick-up in-store fulfillment option in holiday messaging.



Walmart's cadence includes a dip in frequency in mid-December, which allows the retailer to dial up volume during Boxing Week without risking email fatigue.



An aggressive holiday marketing calendar (including a "Deal of the Day" leading up to December 25) saw The Source hitting subscribers two to three times per day—then tapering off.

Key Findings *Email, CRM, Loyalty*

Segmentation and Personalization Drive Email KPIs

Shopping cart abandonment rates of 72 percent plague the retail sector.²² However, despite the attractive open and click-through rates achieved by abandoned-cart notification emails (two times and four times the average rate, respectively), just one in five e-commerce-enabled brands send triggered emails.

Of the eight retailers retargeting shoppers via triggered abandoned-cart emails, just two—London Drugs and Aritzia—sent three follow-up emails over a one-week period, reminding the customer to return and complete checkout. Targeted marketing tactics have higher penetration in the U.S. market—31 percent of retailers in the 2013 *Digital IQ Index*[®]: *Specialty Retail* study employed abandoned-cart emails.

Timing is crucial with this tactic, as 72 percent of customers who complete a purchase after initial cart abandonment do so within 24 hours. Additionally, a triggered email sent in real time recovers 30 percent more carts and generates double the revenue of the same email sent 24 hours later.²³ For maximum impact, best practice research dictates that retailers should consider sending emails within one hour, twenty-four hours, and two weeks of abandonment.²⁴

Making good on its reputation as a data-driven organization, Amazon is a leader in email automation and segmentation. The e-tailer uses its deep wells of customer browsing and purchase behavior to target customers with dynamically personalized emails—driving customers to review past purchases, and suggesting new products via its recommendation algorithms.

22. "Cart Abandonment Stats," SaleCycle, October 1, 2013.

23. "The Science of Shopping Cart Abandonment," SeeWhy and Conversion Academy.

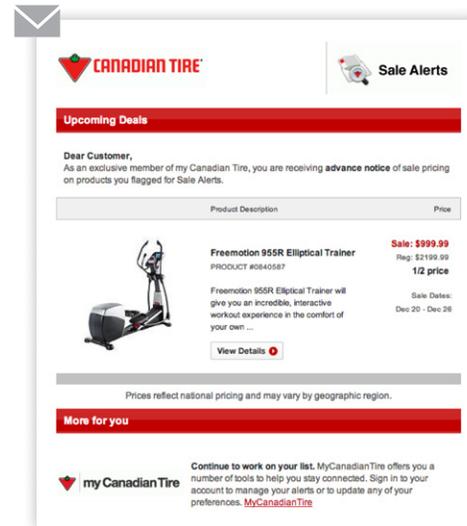
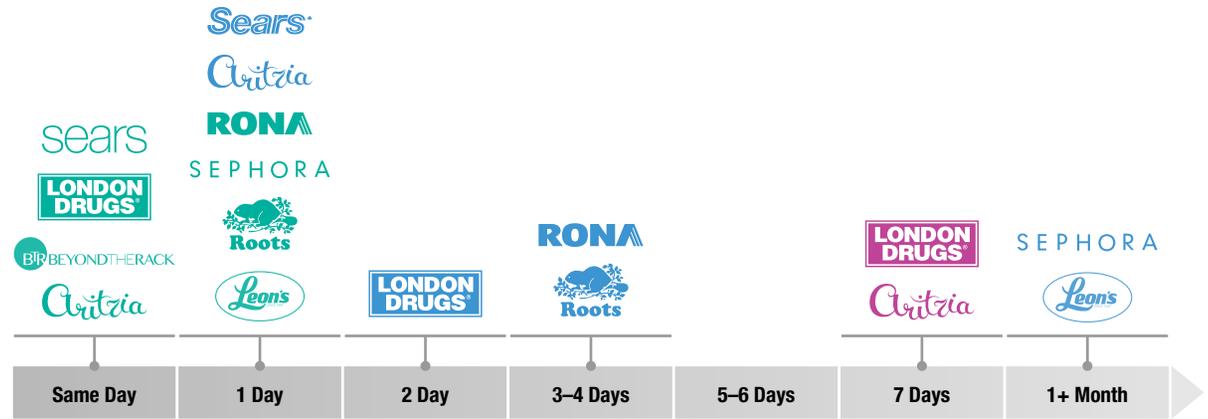
24. "4 Tips for Ecommerce Cart Abandonment Recovery Emails," HubSpot, November 4, 2013.

Timing of Abandoned Cart Messaging

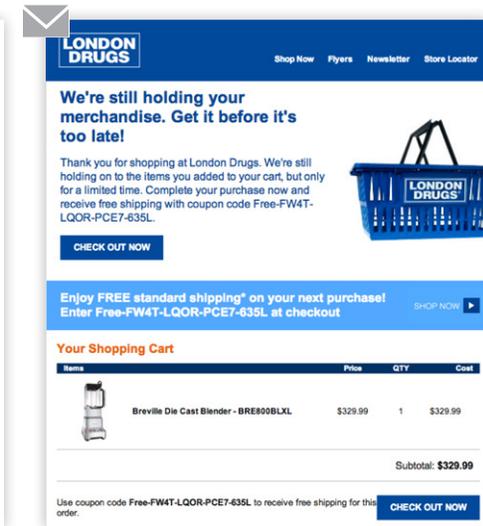
Days Since Cart Abandonment

November 2013–January 2014

■ First Message ■ Second Message ■ Third Message



While not yet fully e-commerce-enabled, Canadian Tire allows shoppers to sign up for triggered sales alerts on products of interest.



In addition to sending a trio of abandoned-cart emails, London Drugs includes a free shipping offer on the second message, to encourage conversion.

Key Findings *Email, CRM, Loyalty*



Consumer Interest in Black Friday Has Eclipsed that of Boxing Day

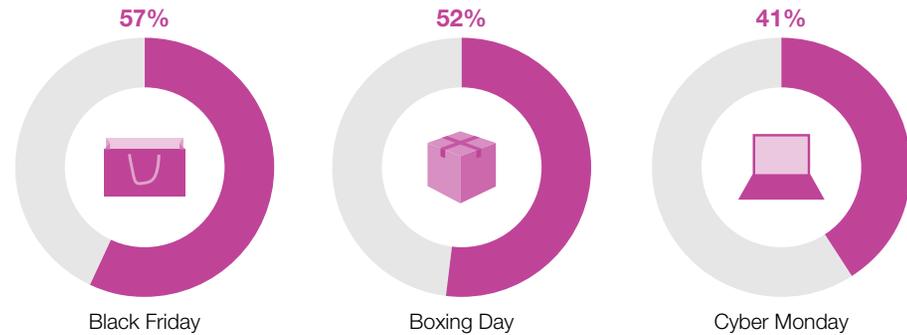
Nearly half (47 percent) of Canadians took advantage of Black Friday sales in 2013, up from 41 percent in 2012.²⁵ Despite occurring on a normal work day, owing to its timing around the U.S. celebration of Thanksgiving, the estimated participation rates roughly matched Boxing Day.²⁶ Marketers need to follow suit and ensure that they are delivering on consumer interest and expectations around these key sales dates in the holiday period.

However, retailers have been slow to embrace promotional opportunities. Throughout the 2013 holiday marketing period, just 57 percent of retailers sent Black Friday promotions, and 52 percent regarding Boxing Day sales. Only four in ten retailers sent online-only Cyber Monday deals via email.

Fifteen retailers ran promotions for all three major shopping days. The remaining two-thirds either did not participate in one or more of the shopping holidays, or failed to cross-promote in-store discounts via email.

Percentage of Retailers Marketing Holiday Offers via Email

November 2013–January 2014, n=44

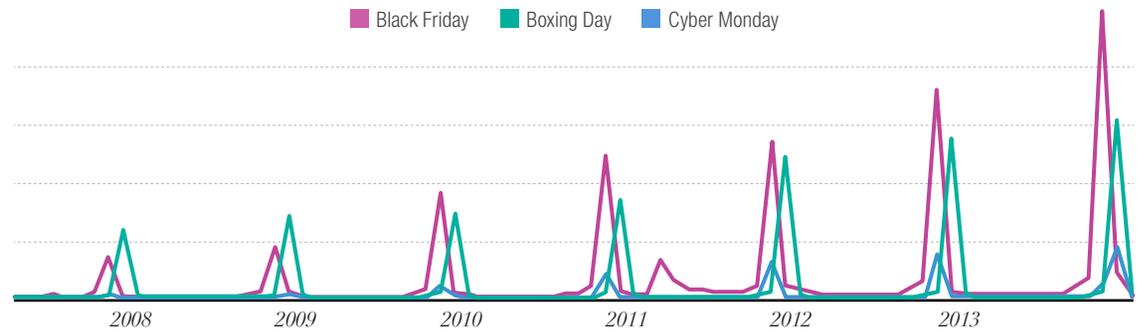


Canadian Interest in Shopping Holidays

Normalized Search Volume Data

January 2007–January 2014

Black Friday Boxing Day Cyber Monday



Source: Google Trends

Rona is among the 15 brands to market promotions for all three major shopping holidays.



25. "2013 BMO Holiday Spending Outlook," Pollara and BMO, November 22, 2013.
26. Ibid.

Key Findings *Email, CRM, Loyalty*



SPOTLIGHT: Holiday Email Marketing

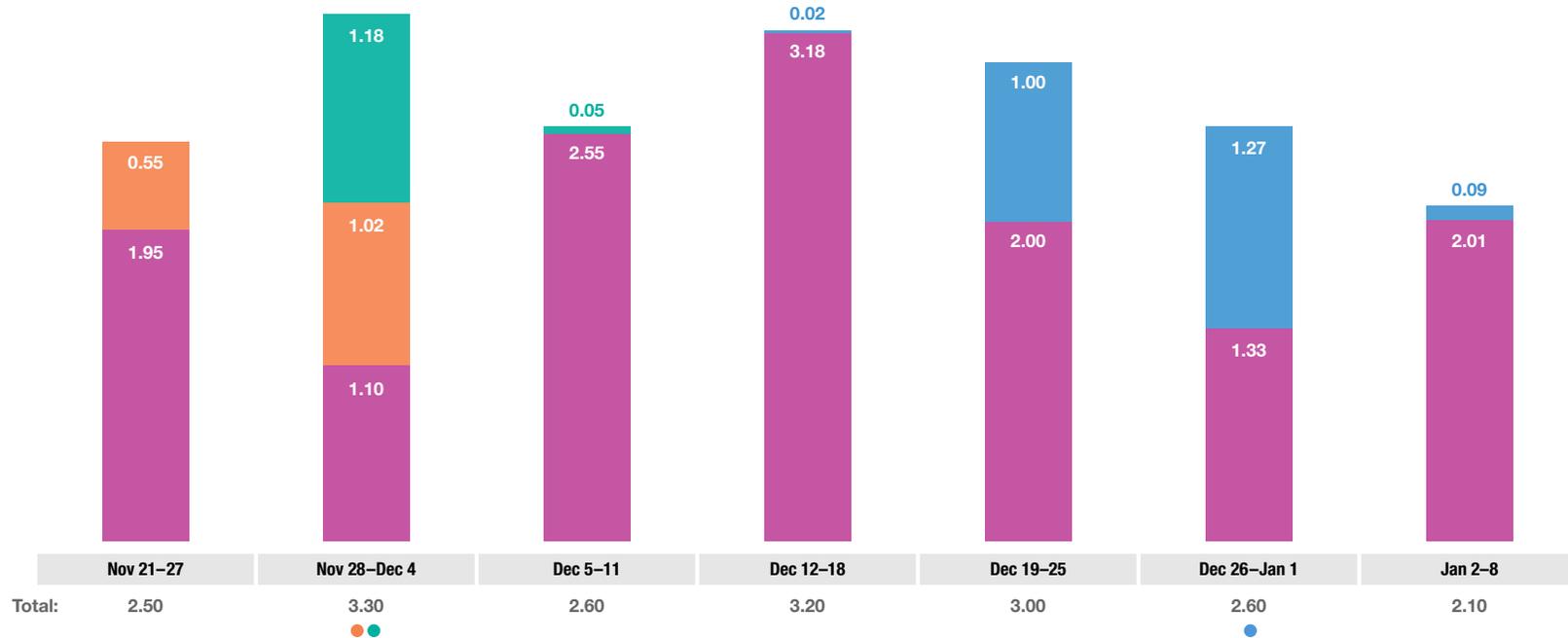
Email volume disappoints during crucial promotional periods—on average, retailers sent one Boxing Day-related email in the week leading up to the event.



Holiday Marketing: Average Number of Promotional Emails Per Retailer Per Week

November 2013–January 2014, n=44

Black Friday Emails Cyber Monday Emails Boxing Day Emails All Other Emails



Black Friday LEADERS

- 6
- 6
- 6
- 6
- 5
- 4

Cyber Monday LEADERS

- 12
- 4
- 3
- 3
- 3
- 3

Boxing Day LEADERS

- 14
- 11
- 10
- 9
- 8
- 6

Key Findings *Email, CRM, Loyalty*



Loyalty Programs Anchor Successful CRM Strategies

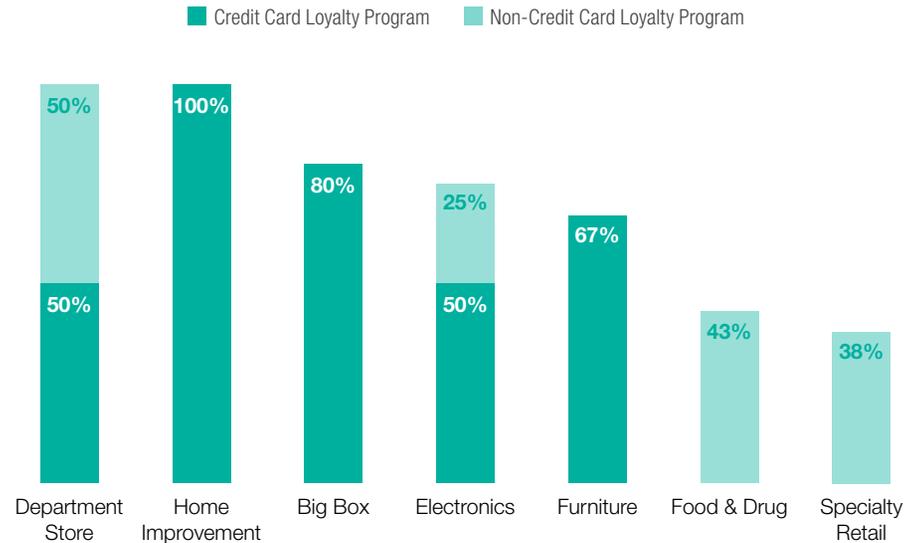
Half of retailers in the study offer some form of transactional loyalty program, but execute the program via a branded credit or store card—a barrier to enrollment for brand loyalists not seeking a line of credit. Only nine retailers offer a more traditional points-based loyalty program; of these, just three are fully integrated with a mobile app for seamless tracking and attribution of purchases across channels. Both Sephora and Hudson’s Bay incorporate tiered benefits, to identify and segment the brands’ most valuable customers.

“ CRM and loyalty systems are about more than ticking a box. Retailers should be leveraging technology to capture customer data, and ruthlessly evaluating its impact on all customer touch points.”

CHRIS HODGSON
 Sector Lead—Multichannel Solutions

Loyalty Program Adoption by Category

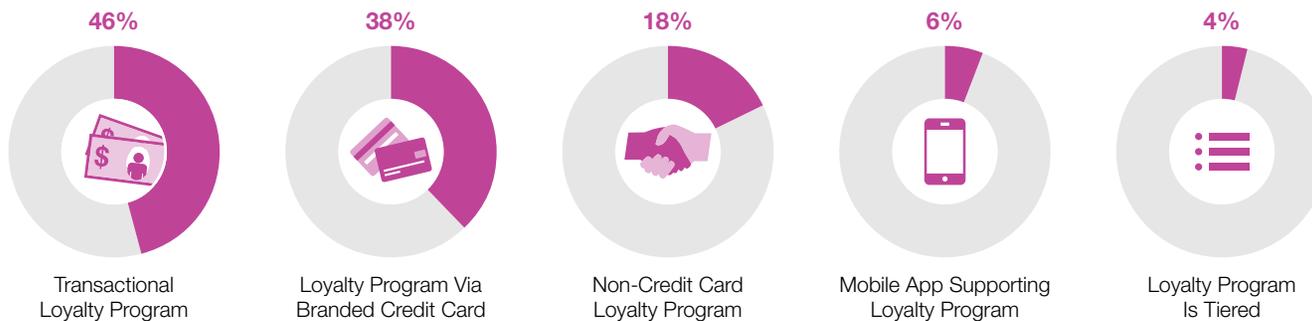
January 2014, n=50



*No traditional loyalty programs offered in the Pureplay or Telco categories

Percentage of Retailers with Loyalty Program Features

January 2014, n=50



Key Findings *Email, CRM, Loyalty*



Consumer Data and Apps Are the Cornerstones of Loyalty

Apps are the natural compliment to loyalty programs—once committed consumers cross the download threshold, apps are used twice as often as mobile sites and in sessions that are three to four times longer than mobile web browsing sessions.²⁷ In comparison to a retailer mobile site, typically visited to quickly obtain information such as a store location, apps are preferred by consumers for prolonged activities including loyalty program management.

Despite its status as a pioneer of retailer loyalty initiatives in Canada, Shoppers Drug Mart has yet to develop a robust app to support the Optimum program. In contrast, mobile apps offered by U.S. drug store peers, including Walgreen’s Balance Rewards and CVS ExtraCare Rewards, boost same-store sales and serve as a benchmark for Optimum’s digitized offerings.

While Optimum has been lauded for its enrollment of 10 million members, Shoppers acknowledges that the company does not have an up-to-date email address for many of these customers. The intrinsic value of a loyalty program is the ability for retailers to access consumer data—tracked across channels via a customer’s loyalty program credentials, and leveraged to target marketing at individuals—necessitating a robust email database.

Plum Rewards and PC Plus programs are fully integrated with mobile iOS and Android apps, allowing users to scan and save in-store.



Features of Non-Credit Based Retailer Loyalty Programs

January 2014

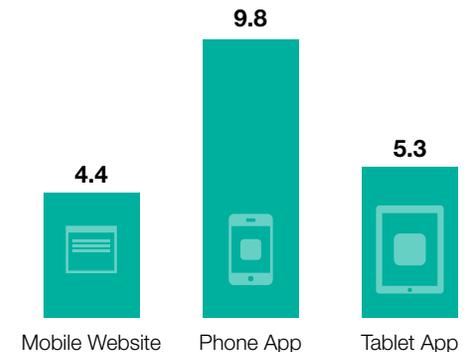
Loyalty Program	Points-Based	Soft Benefits	Mobile App Integration	Optional Credit Card Integration	Coupons	Tiered Rewards
Hudson’s Bay Rewards	✓	✓		✓		✓
PC Plus (Loblaws)	✓		✓	✓	✓	
Shoppers Optimum	✓	✓	✓*	✓		
VIB (Sephora)	✓	✓	✓			✓
Club Sobeys	✓		✓**	✓	✓	
Plum Rewards (Indigo)	✓	✓	✓			
Best Buy Reward Zone	✓	✓				
PetPerks (PetSmart)		✓			✓	
TJX Canada Style+ (Winners)		✓				

*Test markets only.

**My offers in the app must be used in conjunction with physical Club Sobeys card.

Monthly Mobile Interactions with Brand Property

January 2014



Source: Adobe Digital Index

27. “Adobe Digital Index,” Adobe, November 6, 2013,

Key Findings *Digital Marketing*



Omnichannel Search Tactics Underleveraged by Canadian Retailers

For information about brands and products, Canadians over-index on search engine use. Ninety-three percent of Canadians turn to a search engine when seeking product information, vs. the global average of 89 percent. For research, search engines are used more than brand sites, content aggregation sites, and social channels. Disappointingly, the majority of retailers in the study underleverage search as a digital marketing channel.



The search results page is the new shelf space. It's where people are making decisions about the brands they are going to buy and the retailer at which they will buy them.

RAFE PETKOVIC
Head of Industry—Retail

Searching for Information About Brands and Products

2012

	Global	Canada	U.K.	U.S.	China	France	Germany	India	Japan
Use a search engine	89%	93%	90%	90%	90%	96%	91%	88%	78%
Go to the brand or product website	60%	63%	62%	67%	63%	65%	54%	55%	41%
Go to a product review site	50%	47%	55%	43%	53%	47%	50%	55%	49%
Search a news site	24%	15%	20%	10%	38%	8%	10%	28%	16%
Ask or post a question on a forum	24%	12%	12%	8%	42%	9%	11%	33%	6%
Go to the brand or product's Facebook page	18%	14%	9%	8%	28%	8%	5%	35%	7%
Go to the brand or product's Twitter feed	14%	3%	5%	1%	28%	0%	1%	21%	7%
Search Twitter for user comments	12%	2%	6%	1%	22%	1%	1%	20%	7%
Something else	5%	7%	4%	4%	5%	4%	11%	11%	4%
N/A	4%	5%	5%	6%	0%	2%	6%	4%	11%

*Source: "Understanding the role of the Internet in the lives of consumers: 2012 Digital Influence Index Annual Global Study," Fleishman Hillard International Communications.

Key Findings *Digital Marketing*

Ad Extensions Are a Missed Opportunity

The penetration of omnichannel SEM tactics is limited. For instance, just 20 percent of retailers were observed leveraging location extensions in search ads, which map the location of the nearest retail outlet. Only a handful of retailers were observed testing innovative search investments that differentiate ads and support additional digital channels, including social, email, and image extensions.

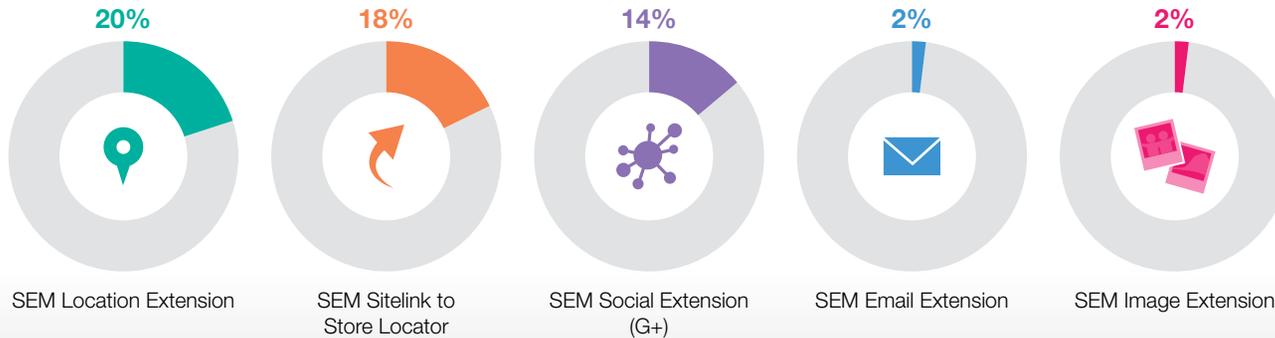
“  Search ads with location extensions realize an average 10% lift in CTR. On average, advertisers who use ad sitelinks have seen their ad click-through rates improve by 30%. ”

CHRIS HODGSON
 Sector Lead—Multichannel Solutions

Percentage of Retailers Employing Omnichannel SEM Tactics

Search for Retailer's Own Name on Google.ca

January 2014, n=50



The screenshot displays search results for five retailers, each with a different SEM tactic highlighted:

- The Bay:** Ad for 'The Bay Official Site' with a location extension showing '9350 Yonge Street, Richmond Hill, ON'.
- Winners:** Ad for 'Winners.ca - Winners' with a sitelink extension for 'Store Locator'.
- Indigo:** Ad for 'chapters.indigo.ca - Winter Clearance Sale' with a social extension showing 'Chapters/Indigo has 374 followers on Google+'.
- Home Hardware:** Ad for 'homehardware.ca - Home Hardware' with an email extension for a newsletter subscription.
- ALDO:** Ad for 'Shop ALDO For The Latest Trends!' with an image extension showing various shoes.

Key Findings *Digital Marketing*

SEM Participation in Canada Trails U.S., U.K.

In a separate analysis of 35 retailers with a presence in Canada, the U.S. and the U.K., Canadian retailers' underinvestment in search becomes more pronounced. While 86 percent of retailers purchased ads for their own retailer term on Google.com, followed by 66 percent on Google.co.uk, fewer than half (49 percent) made corresponding investments on Google.ca.

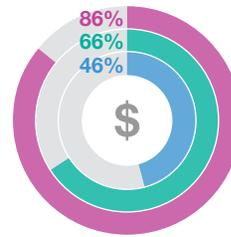
Only six percent of the retailer subset was observed linking to a store locator tool from search ads on Google.ca, a practice adopted by the majority of retailers on Google.com. Both social extensions and location extensions saw higher uptake in markets beyond Canada.

Percentage of Retailers Employing Omnichannel SEM Tactics

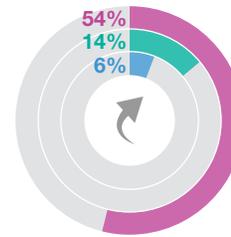
Retailer Term Search Across Global Markets

January 2014, n=35

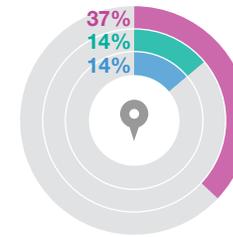
Google.com Google.co.uk Google.ca



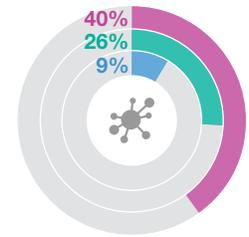
Purchasing SEM on Brand/Retailer Term



SEM Sitelink to Store Locator



SEM Location Extension



SEM Social Extension (Google+)

HomeSense.ca - HomeSense®
www.homesense.ca/
 Get The Latest Home Décor Trends & Ideas. All Up To 60% Less Every Day

Find A Store | Gift Cards
 Events & Promotions | Discover
 Get Inspired

HomeSense has a sitelink to store locator on Google.ca. The brand has tested image extensions, social extensions and location extensions in the U.S market.

Anthropologie.com - Anthropologie® - Official
www.anthropologie.com/
 4.1 ★★★★★ rating for anthropologie.com
 Singular Style For You & Your Home. Shop Our Latest Winter Arrivals!
 375 West Broadway, New York, NY - (212) 343-7070

Dresses | New Arrivals
 Fresh Cuts | Online Exclusives

Anthropologie did not engage in SEM on Google.ca. In the U.S. and U.K., the brand differentiates its ads via image extensions, location extensions, and review annotations.

Retailer Subset

- | | | | |
|---------------------|----------------------------|---|--|
| Abercrombie & Fitch | COSTCO
WHOLESALE | Kiehl's | SONY |
| adidas | DISNEY
STORE | L'OCCITANE | ● sunglasses hut |
| ALDO | Foot Locker | LUSH
FRESH HANDMADE COSMETICS | TOPSHOP |
| ANTHROPOLOGIE | FRENCH CONNECTION | MICHAEL KORS | UNDER ARMOUR |
| amazon.ca™ | GAP | NIKE | VICTORIA'S SECRET |
| Apple | H&M | NINE WEST | WHOLE
FOODS
MARKET BASKET |
| BCBGMAXAZRIA | HOMESENSE | RALPH LAUREN | ZARA |
| THE BODY SHOP | IKEA | Toys R Us | |
| HMPT | J.CREW | STAPLES | |
| COACH | | | |

Key Findings *Digital Marketing*

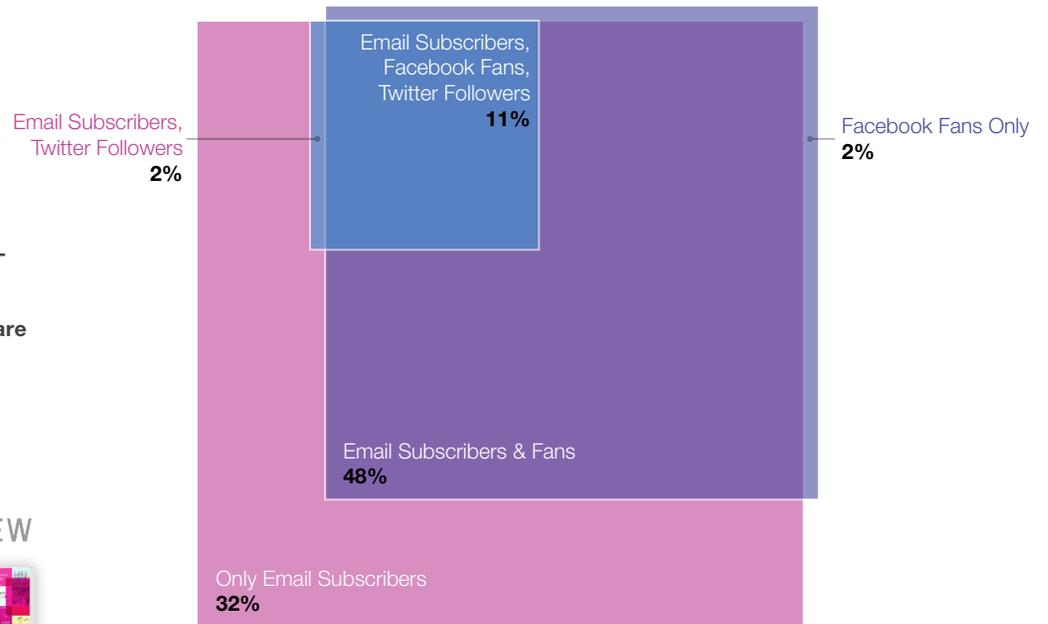
Most Social Media Users Also on Email

Only 32 percent of consumers report engaging with brands solely via email—the remainder supplement email subscriptions by following brands on Facebook (48 percent) or on Twitter (2 percent); 11 percent of consumers report seeking out brands and retailers across all three channels.

Canadian Email Subscribers, Facebook Fans, and Twitter Followers Overlap

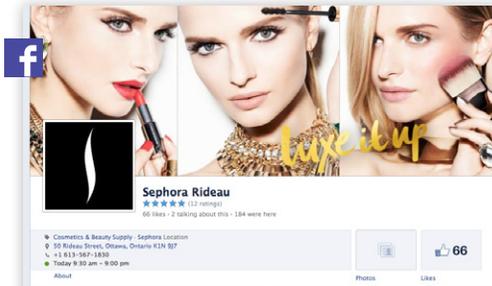
March 2013, n=1,382

93% Email Subscribers 61% Facebook Fans 13% Twitter Followers



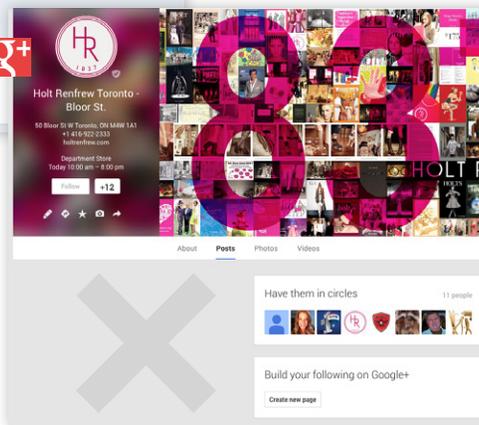
Source: ExactTarget 2013 Global Research (Canada)

SEPHORA



The majority of location-specific social media handles created by Canadian retail brands are dormant placeholders.

HOLT RENFREW



Key Findings *Digital Marketing*

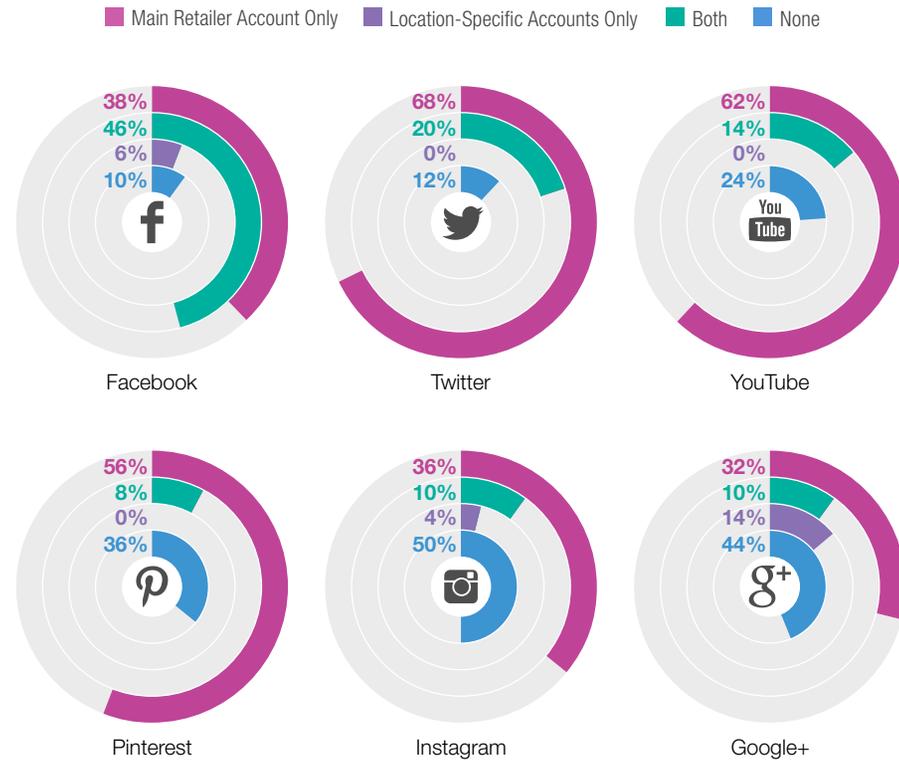


Uptake Across Social Media Platforms Is Sluggish

Ninety percent of Canadian retailers maintain a presence on Facebook. Of these, three retailers in the study do not maintain a parent Facebook account specifically for the Canadian market, but have pages for select stores. After Facebook, Google+ enjoys the highest penetration of location-specific accounts, with 14 percent of retailers choosing to manage accounts for specific stores, and an additional 10 percent managing both a main account and select location accounts. Social media participation rates decline across the long tail of social media platforms, with half of brands choosing to snub Instagram (despite the platform registering 15 times the engagement of Facebook),²⁸

Percentage of Retailers with Canadian Social Media Properties

January 2014, n=50



28. "L2 Intelligence Report: Instagram," L2 Think Tank, February 10, 2014.

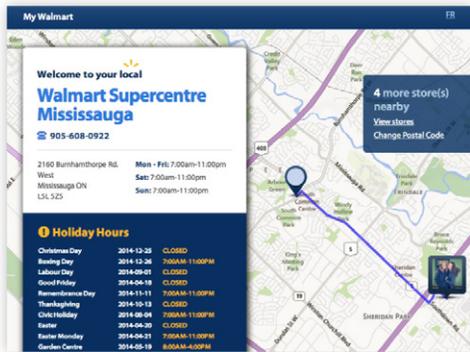
Key Findings *Digital Marketing*

Link Between Social Programming and Purchase Remains Tenuous

On select social media platforms—predominantly Facebook and Twitter—some retailers have begun to test strategies to activate in-store behavior via social content. More than half (58 percent) of retailers on Facebook, and 68 percent of retailers on Twitter were observed publishing posts and tweets that explicitly push fans and followers to the brick-and-mortar retail environment, through the promotion of events, in-store offers, and store locators. For the remainder of retailers in the study, social media programming in Canada continues to function as a vehicle for top-of-the-funnel awareness—potentially driving retailer affinity and engagement, but not inspiring omnichannel behavior or offline sales.

As social media platforms, led by Facebook, move towards more robust monetization strategies, achieving content visibility, reach and engagement has become more about media optimization. Many retailers are still questioning the role these platforms play in driving purchase.

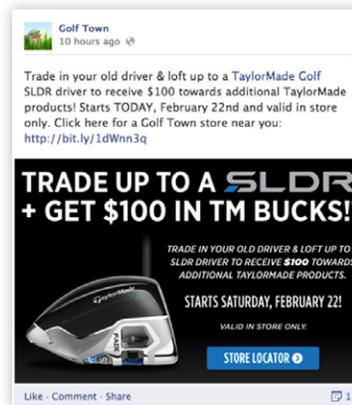
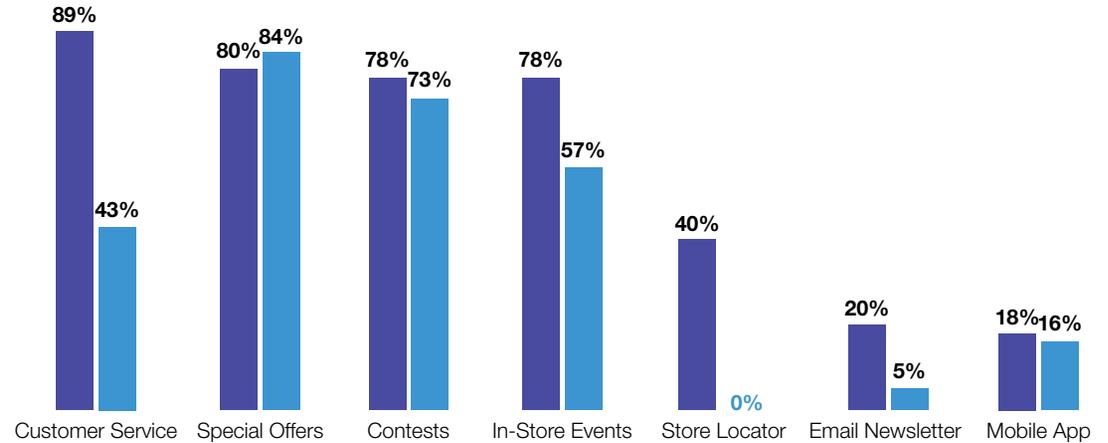
Walmart ✱
 A robust custom tab on the Walmart Canada Facebook page allows users to search for their nearest store, map directions, and view relevant flyers.



Omnichannel Services Provided or Promoted via Canadian Social Media Channels

November 2013–February 2014

Facebook, n=45 | Twitter, n=44



Golf Town consistently drives its Facebook community to retail locations via offers, contests and events available exclusively in store.



Real-time “Learning Sessions,” conducted via Google Hangout, helped Rogers customers familiarize themselves with new devices.



Mark's and Roots use Twitter to drive customers into stores via events and contests.

Key Findings *Mobile*



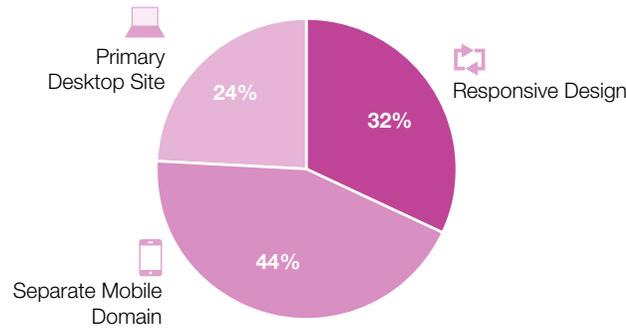
M-Influences Outweighs M-Commerce

Three-quarters of retailers offer a mobile-optimized site. Mobile adoption is split between responsive design and separate mobile domains, with the majority of retailers favoring the latter.

Retailers largely fail to incorporate omnichannel tactics—including linking from product pages to store locators, incorporating user reviews, and offering appointment/event booking—into their mobile offering. The trade-off is risky, given that 18 percent of Canadians self-identify as being mobile-assisted shoppers, who use smartphones at retail to inform purchase decisions.²⁹ The opportunity to move the needle via mobile programming is via “m-influence” on in-store sales, not the negligible amount of sales occurring via m-commerce.

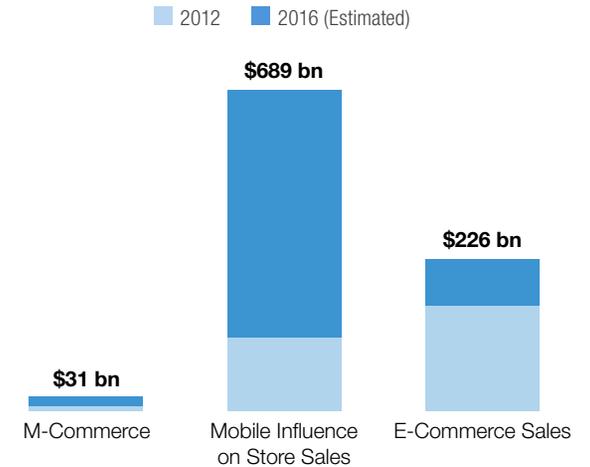
Site Configuration on Smartphones

January 2014, n=50

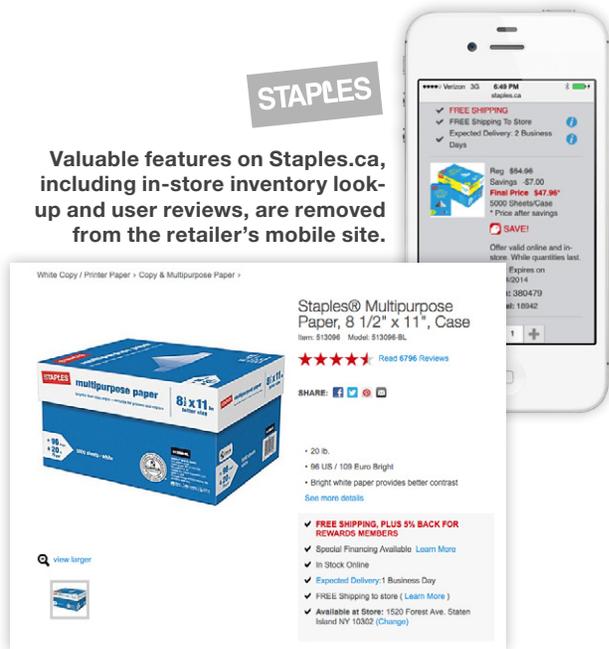


Mobile-Influenced Store Sales vs. M-Commerce and E-Commerce Sales

Sales (\$ in Billion)



Source: Deloitte, Forrester Research

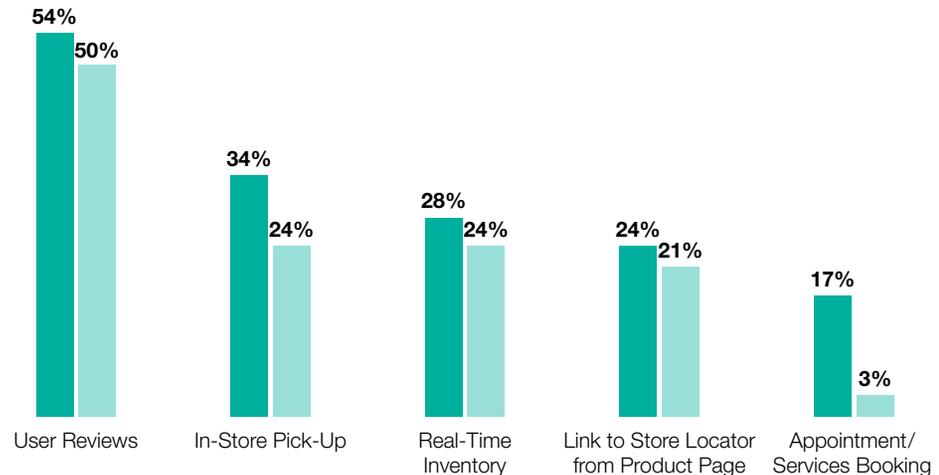


Valuable features on Staples.ca, including in-store inventory look-up and user reviews, are removed from the retailer's mobile site.

Desktop vs. Mobile Site Omnichannel Functionality

January 2014

Desktop, n=50 | Mobile, n=38



29. “Showrooming and the Rise of the Mobile-Assisted Shopper,” Aimia and Columbia Business School, September 2013.

Key Findings *Mobile*

Winning Retailers Are Moving Tablet-First

One in three Canadians owns a tablet device, and 13 percent of Canadian Internet users plan on increasing their use of the device for shopping in 2014.^{30, 31} Despite the compelling conversion rates being realized on the device (which surpassed those of desktop sites for the first time in Q3 2013),³² just six retailers in the study have made investments in a unique tablet experience.

For the 88 percent of retailers that default to the desktop site on a tablet, there is considerable opportunity to optimize the device-specific shopping experience. Adoption of touch-based browsing tactics (including dynamic tile layouts and swipe support) is limited. In addition, just one in five retailers supports PayPal Express on the tablet device, which can expedite account sign-in and improve ease of checkout.

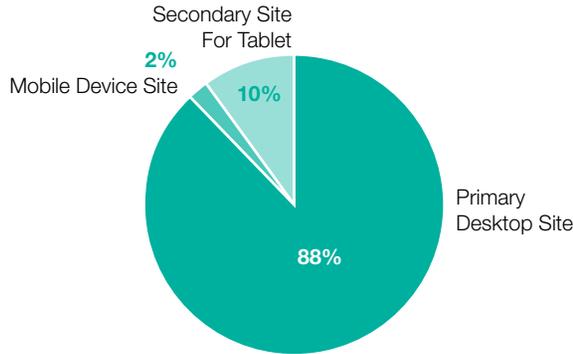
The payoffs of a robust tablet experience can be huge. Walmart Canada, which launched a “tablet-first” responsively designed site in November 2013, has since seen a 20 percent jump in conversion and a 98 percent increase in mobile orders.³³ The new Walmart site is characterized by seamless omnichannel integration—from gallery pages, the retailer displays real-time stock-status and in-store inventory information, and dynamically removes the “Add to Cart” button on products not available for fulfillment.

From the tablet gallery page, each product displays inventory levels at the user’s preferred Walmart store.

30. “Rogers Innovation Report: Tech Trends 2013,” Harris Decima, December 27, 2013.
 31. RetailMeNot.com, January 20, 2014.
 32. “Ecommerce Quarterly,” Monetate.
 33. “How Walmart.ca’s Responsive Redesign Boost Conversion by 20%,” GetElastic, November 20, 2013.

Site Configuration on Tablet

January 2014, n=50

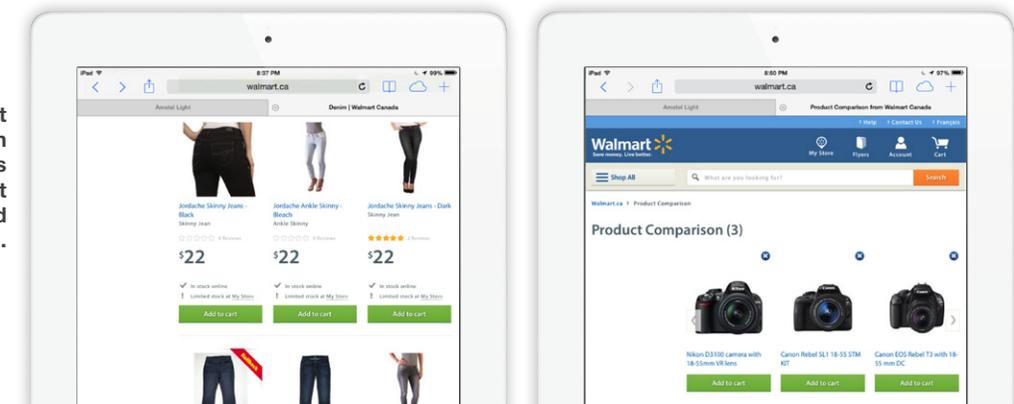
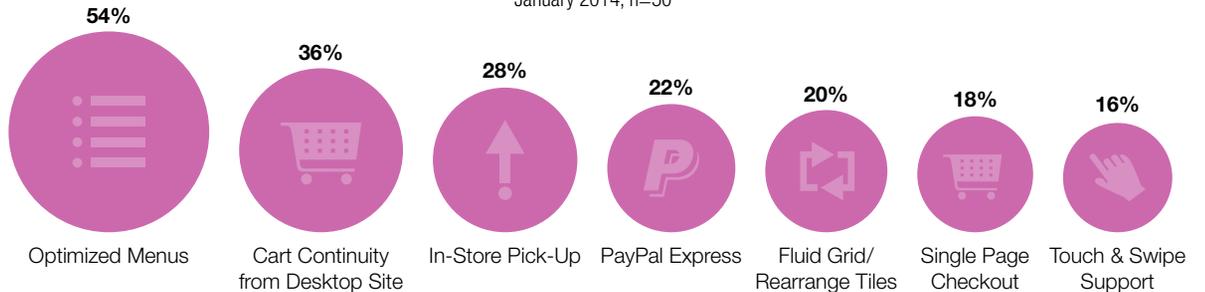


Retailers Investing in Tablet Sites



Percent of Canadian Retailers With Tablet Optimization Features

January 2014, n=50



Walmart’s product comparison tool has been optimized for touch; the cross-section also includes stock status information for online and in-store fulfillment.

Key Findings *Mobile*



Omnichannel Is Inconsistent Across App Landscape

Two thirds of Canadian retailers have invested in mobile apps. Five retailers (Apple, Metro, Rogers, Rona and Zara) have taken an app-only approach to mobile, choosing to forgo development of a mobile site and thereby jeopardizing a valuable consumer touch point.

Omnichannel efforts are not consistent across the mobile app landscape. While roughly a third of apps incorporate a product barcode scanner and an in-store shopping list tool, other easy in-store wins have been left on the table. A surprising 24 percent of mobile apps do not include a store locator, and just 39 percent of apps incorporate customer service features.

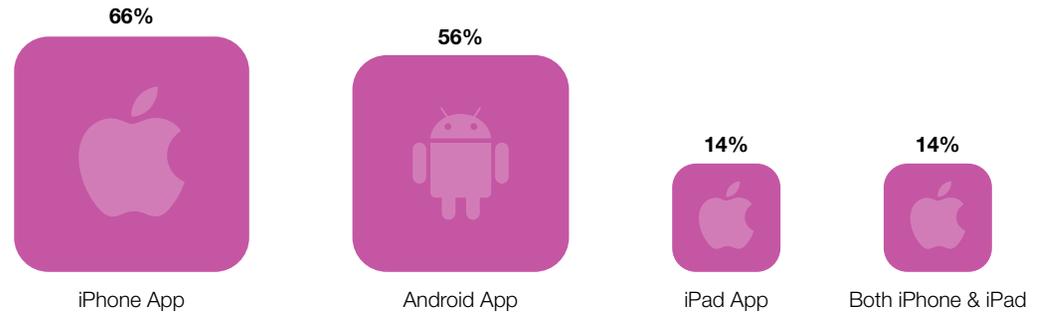
Organizations like Walmart have demonstrated the value potential of an app with robust omnichannel integration. The retailer's U.S. division recently reported that users of the Walmart app take twice as many trips to Walmart and spend, on average, 40 percent more than non-app users.³⁴ The Walmart U.S. app strategy includes a unique 'in-store' mode, prompted via geolocation, which connects shoppers to specials and offers served at a store-specific level, as well as a shopping list tool and barcode scanner.

“  *The smartphone has become the new personalized shopping assistant and will have a significant influence on in-store purchases. Retailers should arm their sales staff with technology so that they can access the same information as the customers.* ”

CHRIS HODGSON
 Sector Lead—Multichannel Solutions

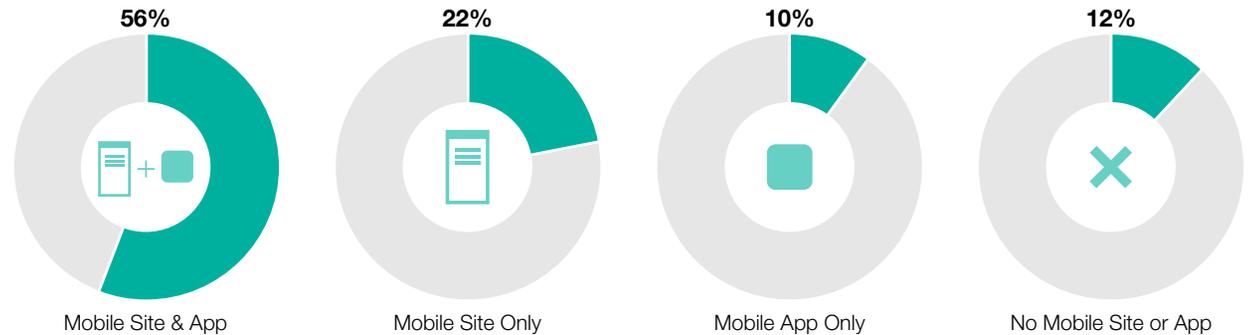
Mobile App Adoption

January 2014, n=50



Mobile App vs. Mobile Site Adoption

January 2014, n=50



Retailers with no mobile site or app:



*Online Photo app only

34. "Walmart app users spend 40pc more than average shopper," Mobile Commerce Daily, September 26, 2013.

Key Findings *Mobile*



SPOTLIGHT: Omnichannel Apps



Walmart

In its home market, Walmart prompts U.S. consumers to flip to Store Mode when within a Walmart location. The retailer has yet to introduce a Canadian version of the app.



...even more beautiful: Meet the NEW Sephora to Go app.
 The Sephora to Go does not currently support a full Canadian shopping experience. Products and promotions in Sephora products and offers with US pricing, some of which may not be available in Canada. To check out and view Canadian prices you will need to go to www.sephora.ca.

Still waiting ★★☆☆☆
 by Marissa Fradette - Mar 3, 2014
 This app really needs to support Canadian shoppers. Why do I even still have it if I have to use a browser to purchase anyway? Won't be waiting much longer before I just delete it.

Mobile innovator Sephora does not offer an m-commerce app experience in Canada.



Sobeys allows users to load their loyalty card with coupons via the app, but has yet to offer a Passbook-compatible digitized loyalty card.



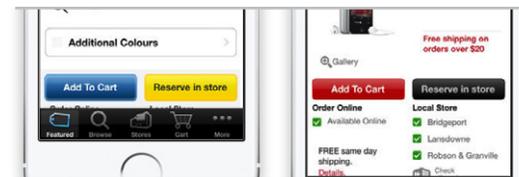
The IKEA app, originally piloted in Canada, integrates a customer's shopping list with aisle locations and in-store inventory.

Omnichannel Features of Best-In-Class Retailer's Mobile Apps

February 2014

Retailer	Geolocal Store Locator	Product Barcode Scanner	In-Store Shopping List Tool	Saves Preferred Store	M-Commerce	Integrates with Loyalty Program	Mobile Couponing	Shopping List Integrates w/ Inventory
Indigo	✓	✓		✓	✓	✓		✓**
Sobeys	✓	✓		✓	✓	✓***	✓***	
Rona	✓	✓	✓	✓			✓	✓
Best Buy	✓	✓		✓	✓			
Canadian Tire	✓	✓	✓	✓				✓
Future Shop	✓	✓	✓	✓	✓			
Home Depot	✓	✓	✓	✓	✓*			
Shoppers Drug Mart	✓	✓	✓	✓		✓****		
Home Hardware	✓	✓	✓	✓				
Loblaws	✓		✓			✓	✓	
Metro	✓		✓	✓			✓	
IKEA	✓		✓					✓
Sephora	✓	✓			****	✓		
Staples	✓	✓			✓			
Toys 'R' Us	✓	✓			✓			

*iPad app only
 **When checked in to a store location
 ***My Offers section of app must be used in conjunction with physical Club Sobeys card
 ****Test markets only
 *****M-commerce via app not offered in Canada



Sister companies Future Shop and Best Buy both extend "Reserve in store" functionality to their m-commerce-enabled apps.

Flash of Genius



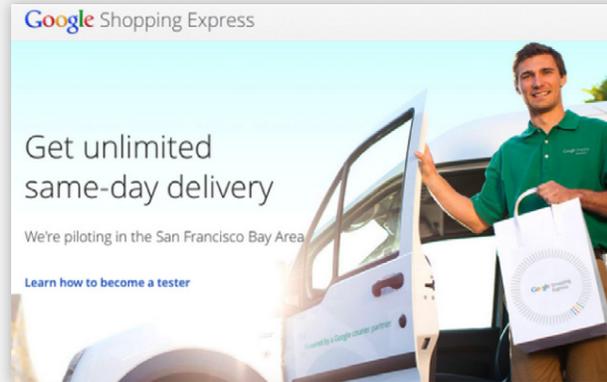
Need for Speed

Struggling to compensate for a steep drop in mail volume (which prompted last year's announcement that regular door-to-door mail delivery would be phased out in urban areas),³⁵ Canada Post is attempting to carve out a new niche as an e-commerce fulfillment partner. From September to December 2013, the Crown Corporation piloted "Delivered Tonight" across the Greater Toronto Area, a service that promises same-day delivery to customers who order products online before 12:30pm.

If successful, the program could change the way Canadians shop online, by combining the immediacy of in-store shopping with the convenience of home delivery. Initially the program piloted with just four retailers, Best Buy, Future Shop, Indigo, and Walmart. All heavyweights in the Canadian retail landscape, these brands have been notable for their forward-looking approach to omnichannel retailing and fulfillment. However, at \$13.95 per order (or more, for heavier parcels) the pricing is steep when compared to providers such as Amazon, which offers Prime subscribers Local Express Delivery for \$3.99 per eligible item (in the U.S. only).

Canada Post reported it would reevaluate the service in the first three months of 2014, to assess both pricing and regional expansion—although unique infrastructure challenges in the Canadian market may limit the number of penetrable cities. In the U.S., organizations including Google, eBay and Net-A-Porter have tested same-day services.

Google



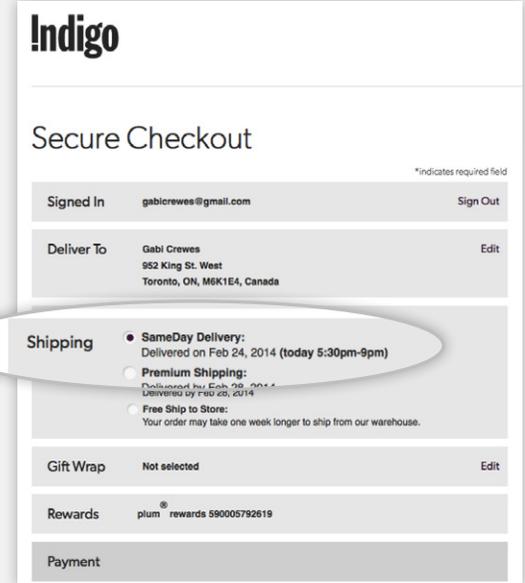
Google piloted same-day delivery in select markets via its Shopping Express service.

The New York Times



Struggling Canada Post is seeking to cut costs by any means necessary, while boosting revenues on the back of ramping e-commerce adoption.

Indigo



Delivered Tonight provides home delivery between 5:30 and 9:30pm.

35. "Canada Post to phase out urban home mail delivery," CBC News, December 11, 2013.



Combatting Showrooming

The rise of mobile has changed the in-store experience, providing customers with a powerful resource outside of the sales associate. For the 2013 holiday season, 63 percent of Canadian shoppers reported that they planned to browse products in store, then shop online to find a better deal.³⁶ Additionally, 30 percent of mobile-assisted shoppers intended to use a smartphone or tablet specifically to compare prices in store.³⁷

Although consumer electronics retailers are hit the hardest by showrooming behavior,³⁸ Best Buy Canada has taken steps to turn the trend into a competitive advantage. The retailer equips its sales associates with 360mobile which provides real-time pricing data from competitors and allows Best Buy employees to anticipate and respond to customer queries for discounts and price matching (mimicking the look and feel of Amazon's popular price-matching app).

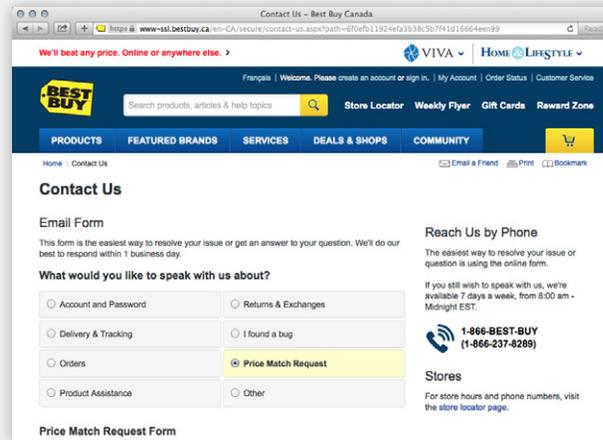
Through transparent insights into the pricing landscape (and the brand's "Lowest Price Guarantee" policy), Best Buy Canada is well positioned to transform showroomers into purchasers.



Impact Online Cost Savings Have On In-Store Purchases (Canada)



Source: Retail Showrooming in Canada: Winning The Consumer & The Price of Keeping Buyers In-Store; Catalyst/GroupM Next, 2013.



Best Buy's Lowest Price Guarantee policy promises customers that it will price match any authorized electronics dealer in Canada.

36. "Accenture holiday shopping survey reveals Canadians are 'webrooming' and 'showrooming' to save money," Accenture, November 6, 2013.

37. Ibid.

38. "State of the US Online Retail Economy in Q4 2012," comScore, February 18, 2013.

Flash of Genius



Consumerism Goes Co-Op

Commitment to the co-op business model, coupled with enthusiastic digital adoption, has allowed MEC to grow a unique community of brand loyalists, anchored around the retailer's 17 locations.

In 2013, the retailer posted more than 3,500 events on its community microsite, events.mec.ca, a robust environment where outdoor enthusiasts can search for events hosted by a variety of organizations by activity type and city. The retailer additionally posted 2,500 clinics and meet-ups on the forum, and 40 "MEC Fests," cornerstone events organized by the retailer.

MEC also facilitates gear swapping among its co-op members, who can post equipment available for resale to the MEC site, or strike barter agreements at gear-swap events held seasonally at MEC locations. The retailer has taken a page from U.S.-based outdoors companies offering similar initiatives, including the Patagonia "Common Threads Partnership" and North Face's "Clothes The Loop" program.

Managing product resale in the age of the internet has been an Achilles' heel for other Canadian organizations. In early 2014, Lululemon cracked down on resellers by blocking frequent purchasers from the online store by targeting their IP address, a controversial move that spurred public outcry from brand loyalists.³⁹

In addition to hosting its own activity days, MEC connects Canadians with thousands of events, clinics and meet-ups via its community microsite.

The screenshot shows the MEC community microsite interface. At the top, there's a navigation bar with 'HOME', 'FIND AN EVENT', 'POST AN EVENT', and 'ABOUT US'. Below is a search section titled 'REFINE YOUR SEARCH' with filters for 'Date Range' (Start: 2014-02-27, End: 2014-02-27), 'Type' (Clinic, Club night, Course, Festival, Fitting, Fundraiser, Gear Swap, Meet-up, Mixie, Race, Seminar, Series, Trip, Volunteer), and 'Price' (Free, 30 Spots Available). The 'UPCOMING EVENTS' section lists events like 'Run Club: Thursday Evening Meet-up: Fargo' and 'Run Club: Thursday Evening Meet-up: Fargo'. A central banner reads 'COMMUNITY & EVENTS' with the text 'Shared connections and shared passions keep us humming and keep us inspired. Find stuff to do, places to go, and people who fuel your fire.' Below this are several event thumbnails including 'Online Gear Swap', 'MEC Envoys', and 'Community Contributions'. At the bottom, there's a 'MEC FESTS' section and a social media share bar.



The screenshot shows the 'MEC CALGARY FALL GEAR SWAP' event page. It includes the MEC logo, navigation, and event details: 'Date: Sunday, 06 October, 2013', 'Time: From 10:00 am to 02:00 pm MST', 'Organizer: MEC Calgary', and 'Price: Free'. A description states: 'MEC Calgary is holding our fall Gear Swap event in the store parking lot! Sunday October 6, 2013 from 10:00 AM to 2:00 PM. Members can buy and sell used gear from each other, and MEC will be selling selected rental stock. Book your table today to save some previously loved gear from the landfill! For more information, or to book a table, please inquire at the Member Service Desk in-store or by calling (403) 269-9420.' It also features a 'Gearswap' logo with the tagline 'REUSE | REUSE | REUSE | REUSE' and a map showing the location at 'MEC Calgary, 800 10 Ave SW, Calgary, AB'. Social sharing options for Facebook, Twitter, and LinkedIn are visible.

MEC facilitates gear swapping and resale both online and at in-store events.

The screenshot shows the 'MEC BIKE SERVICES' page. It features a video of a mechanic working on a bicycle. Below the video, it lists services: 'Minor services to deluxe overhauls, our mechanics are experienced in all aspects of bike repair. Not sure if your bike needs work? Bring it in for a free inspection. We'll look it over, and if it needs service, help you decide on the best package for your bike's condition.' There's a 'SELECT A STORE' dropdown menu. On the right, there's a 'MEC BIKE DESIGN' section with a video thumbnail and a 'MEC CYCLING EVENTS' section listing 'MEC London Bike Maintenance 2013', 'MEC Bike Maintenance 2013', and 'BIKE MAINTENANCE 2013'.

MEC promotes its in-store services across its site, seamlessly integrating relevant events and product video.

³⁹. "Lululemon Is Banning Customers Who Try To Resell Their Clothing Online," Business Insider, February 7, 2014.



The Fairest of Them All?

Drugstores nationwide are turning to higher-margin categories to offset the hit in profitability taken at the pharmacy counter—the result of provincial generic drug reforms.⁴⁰ Shoppers Drug Mart, Canada's largest drugstore chain, is wagering that the bottom line can be restored via its beauty business, and making speculative investments accordingly.

The lucrative beauty category has the retailer beefing up its brick-and-mortar offerings, to target an increasingly premium price point and differentiate from discount purveyors including Walmart and Target (both of which have been increasingly aggressive in the beauty category in recent months). With Amazon.ca also joining the beauty and personal care party in early 2013, Shoppers has strategically focused on differentiating its beauty shopping experience via the consumer's in-store journey.

Within select locations, the brand is doubling the size of its in-store beauty boutiques and rolling out fragrance and cosmetics try-on stations where customers can sample product. The experience mimics Sephora, which revolutionized the beauty-buying business by removing the traditional guardian of luxury cosmetics—the department store saleswoman. Like Sephora—evangelized in the retail industry for its points-based VIB loyalty program—Shoppers Drug Mart is a long-time player in the loyalty space with its Optimum program. Revamping Optimum to cater to beauty customers (particularly smartphone users, and those shopping on beauty-only sister site, Murale.ca) could help Shoppers gain additional traction in the category.



The 4,500-square-foot Beauty Boutique in the Bayview Village (Toronto) Shoppers location has garnered design accolades.



⁴⁰. "Shoppers Drug Mart buffs up its beauty business," The Globe and Mail, March 28, 2013.

Flash of Genius



#WHATITTAKES

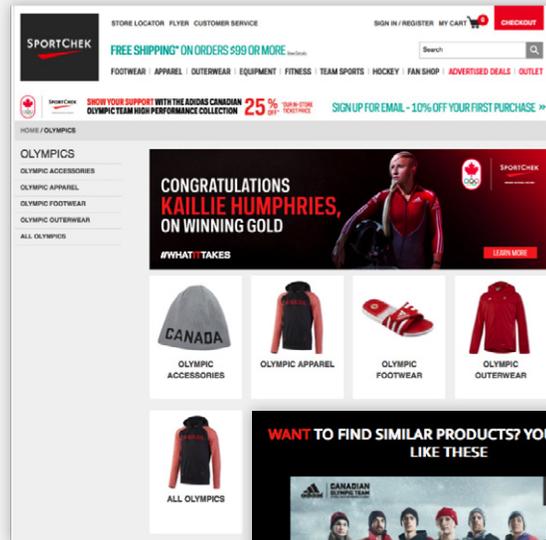
As a Premier National Partner of the Canadian Olympic Team, Sport Chek set the standard in integrated marketing with its Sochi 2014 #WHATITTAKES campaign. The largest promotional blitz in the brand's history, #WHATITTAKES combined television, out-of-home, in-store and digital touch points during the three-month celebration of Canadian athletes.

The campaign was anchored by traditional media buys, including a 60-second television spot, but seamlessly incorporated digital programming.

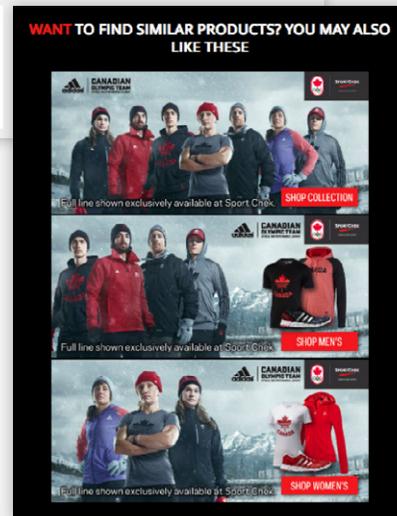
Cumulatively, the Sochi video content on the Sport Chek YouTube channel has registered more than a million views, with five of the videos garnering view counts in excess of 100k. The brand also tested shoppable video, linking back to product pages for the Adidas Canadian Olympic High Performance Collection. (The complete line was sold exclusively at Sport Chek locations.) Digital advertising on the YouTube platform supported the media investment.

Behind-the-scenes digital content featuring Canadian athletes at home and at the Sochi Games was also pushed out across the retailer's Facebook, Instagram, and Twitter properties.

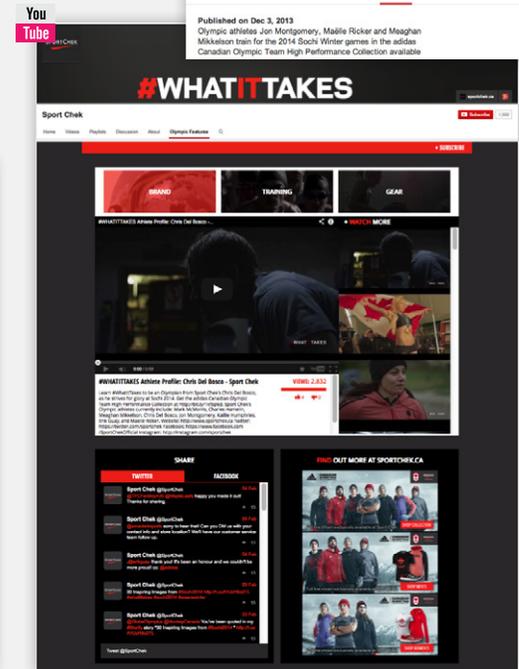
SPORT CHEK



The Sport Chek site was updated regularly with real-time updates on the performance of Canadian athletes at the Sochi Games.



Sport Chek's shoppable videos linked to product pages for the Adidas Canadian Olympic High Performance Collection.



A custom YouTube interface showcased the retailer's campaign investments across channels.

Flash of Genius

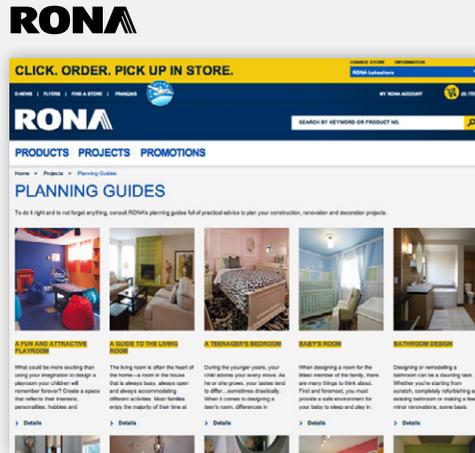


DIY Goes Digital

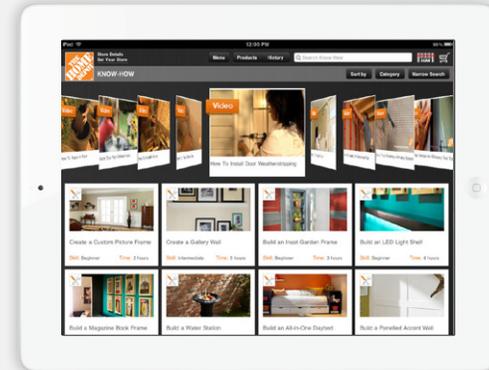
The Canadian home improvement industry is saturated, with many communities now served by three or four Big Box stores, often rounded out by a nearby Canadian Tire.⁴¹ The penetration has proven challenging for retailers—domestic brand Rona reported its thirteenth consecutive quarter of declining same-store sales last November, in the face of an aggressive turnaround plan that has included cost cutting, layoffs, and store closures.⁴² In an effort to differentiate their offerings and win back market share, Home Improvement retailers are increasingly turning to digital content investments and interactive tools.

The Home Depot's Know-How Centre hosts project planning materials, buying guides, and instructional videos. These resources are consistently promoted via email marketing that features embedded tutorial videos, and the majority of how-to content is also available on the retailer's iOS and Android apps for handy reference while completing a project. Home Hardware and Rona provide similar on-site destinations for DIYers.

Lowe's takes project planning offline and into the brand's Build it Yourself workshop stations that are being piloted within three Ontario stores. Home improvement enthusiasts can register via the brand site for hands-on workshops taught by professionals, with topics ranging from woodworking and upholstery to plumbing and interior design.



Rona and Home Hardware provide similar on-site project planning tools.



The Home Depot app offers true functionality for DIYers, providing measurement tools, unit converters, a bar-code scanner, and a how-to video library.



The Home Depot's DIY resources are the feature of many of the retailer's email marketing messages.



Lowe's BiY "course catalog" of DIY classes is offered at three Ontario BiY locations.

41. "Home Depot, Lowe's, Rona build up home improvement competition," Toronto Star, April 5, 2012.

42. "Rona to focus on customer service as it seeks turnaround from weak results," The Canadian Press, November 12, 2013.

Flash of Genius



Optimizing Optimum

Canada is on par with the U.K. as one of the most mature loyalty markets in the world, and an estimated 90 percent of Canadians belong to at least one program (vs. just 74 percent in the U.S.).⁴³

Despite robust loyalty adoption, Retail loyalty programs have plateaued. While accounting for 48 percent of the total loyalty program memberships in Canada, the retail category saw a 4.37 percent decline in membership growth from 2008 to 2012, in contrast to the strong growth performance seen across financial services programs and coalition loyalty programs (including Air Miles and Aeroplan).

Total Canadian Loyalty Program Memberships

2008–2012



Source: 2009, 2001, 2013 Colloquy Loyalty Census

Loyalty Initiatives: Sephora, Boots, Shoppers Drug Mart

Date

Program	E-Commerce Integration	Coalition Program?	Tiered?	Redeem Points for Product	Birthday Gifts	Unlock Free Shipping	Additional Benefits
SEPHORA Beauty Insider	✓	✗	Beauty Insider	Samples Only	✓		Free beauty classes
			VIB				Private shopping events/sales, VIB gifts
			VIB Rouge				Unlimited access to beauty studio
Boots Advantage Card	✓	TREAT STREET via Treat Street	✗	✓	✗	✗	Print personalized coupons at Extra Offers Kiosks; invitations to exclusive customer events
SHOPPERS DRUG MART Shoppers Optimum		Murale Murale.ca only	✗	✓	✗	✗	Limited

43. "Lonely at the Top: The 2013 COLLOQUY Loyalty Census," COLLOQUY, July 2013.



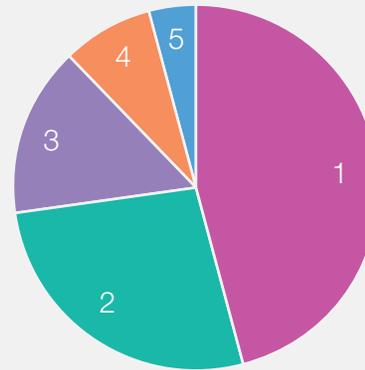
Optimizing Optimum *continued*

Shoppers Drug Mart has responded by tweaking to its Optimum loyalty program, taking steps to transform the initiative into a coalition-type program. In October 2013, Shoppers announced a collaboration with Canadian Pure Play retailer Beyond the Rack, and the launch of a new Optimum-Beyond the Rack website, where loyalty program members can collect 10 Optimum points for every dollar spent.

Shoppers has also been an early adopter of personalized discounting in Canada, sending its 10 million Optimum members tailored weekly emails that include product- and category-specific coupons relevant to the customer's past purchase history. When piloted, the initiative was found to increase email open rates by 10 percent, as well as drive up same-store traffic and sales metrics.⁴⁴

Canadian Loyalty Program Memberships by Category

2012



- 1 46% Retail**
55,320,000 memberships
-3.52% growth (2010–2012)
- 2 27% Financial Services**
31,910,000 memberships
+2.80% growth (2010–2012)
- 3 15% Other**
17,939,983 memberships
-2.13% growth (2010–2012)
- 4 8% Air Miles**
10,200,000 memberships
+2.00% growth (2010–2012)
- 5 4% Aeroplan**
4,500,000 memberships
+15% growth (2010–2012)

SHOPPERS DRUG MART

BIR BEYOND THE RACK

GET SHOPPERS OPTIMUM POINTS® WITH EVERY PURCHASE!

BIR BEYOND THE RACK

- Access to exciting finds that are reserved for Optimum Members only!
- Weekly deals you won't find anywhere else!
- Optimum Points on all your purchases! – you'll get 10 points for every dollar spent!

Become a member: IT'S FREE!

First name

Last name

Email

Password

Optimum Card Enter last 9 digits

Female Male | U.S. Canada

By joining, I agree to BIR's [Terms and Conditions](#), [Privacy Policy](#), and to receiving notifications about BIR's offers and promotions.

By joining, I agree to [Pharmark's Email Terms and Conditions](#) and to receiving notifications about offers and promotions.

SEE TODAY'S DEALS

► Already a member? [Sign in here](#)

The Shoppers-Beyond the Rack collaboration could be the first step to transforming Optimum into a more widely reaching coalition loyalty program.

44. "Shoppers takes personalized deals national," Strategy, April 22, 2013.

Flash of Genius



Roger That

In October 2013, Rogers Wireless rolled out Rogers Alerts, a location-based mobile solution that allows retailers to connect with customers via personalized geolocal texts. Retailers in the study, including Sears and Future Shop, have opted into the platform, which leverages geofencing to target customers who are in the vicinity of a retail location with relevant offers.

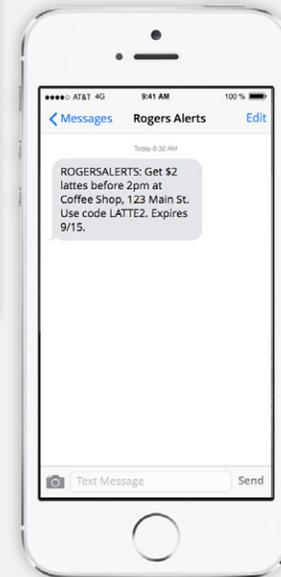
When registering for the service, Rogers Wireless customers can customize their preferences such that special offer SMS messages are targeted based on their personal shopping habits. To incentivize opt-in, Rogers is offering customers \$5 off their next mobile bill.



According to Rogers data, over half of Canadians are interested in receiving relevant promotions and product offers via mobile, particularly when near a retail location.

HUDSON'S BAY

Other organizations have taken SMS programs in-house, including Hudson's Bay, Sears, Sport Chek and Indigo.



Flash of Genius



In-Store Innovation

Canadian Tire developed a tablet platform now deployed across the retailer's 490-store network to help customers find products. The app, distributed via 5,000 in-store tablet devices, allows employees to conduct a "fast find" to quickly identify the location of every item in the store (previously, the retailer had no uniform system to track in-store inventory beyond a visual check). The initiative was announced just months after the opening of Canadian Tire's digital development lab in "Silicon Valley North," Kitchener, Ontario, in partnership with tech incubator Communitech.

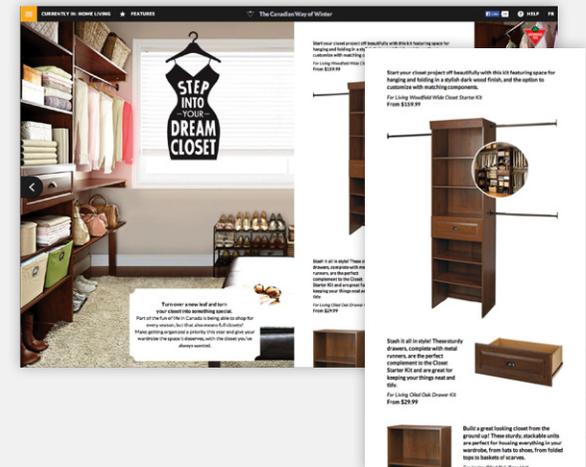
Other recent omnichannel initiatives for the retailer have included the launch of Canadian Way, a digital hub designed to improve both the in-store and online shopping experience, and a pilot program in maritime Canada to integrate the brand's renowned Canadian Tire money with a loyalty card to track customer activity. Canadian Tire Corporation, which counts Mark's and Sport Chek in its family of brands, also recently announced the opening of the 'Canadian Tire Cloud Computing Centre' in Winnipeg, Manitoba. The 28,000-square-foot site will house a digital content warehouse, application lab and high-performance data center, and is anticipated to be one of the most advanced centers of its kind in North America.⁴⁵



Canadian Way, the retailer's take on a branded content play, combines videos and how-to tips with detailed product information and social networking.



A loyalty card replaced iconic Canadian Tire tender across 21 Nova Scotia stores; the pilot program integrated with the retailer's proprietary Options MasterCard.



45. "Canadian Tire Announces State-of-the-Art Digital Content Warehouse and 'App Factory,'" CNW, May 2, 2013.

The Team



Scott Galloway

Founder, L2

Scott is a Clinical Professor at the NYU Stern School of Business, where he teaches brand strategy and digital marketing, and is the founder of L2, a think tank for digital innovation. Scott is also the founder of Firebrand Partners, an operational activist firm that has invested more than \$1 billion in U.S. consumer and media companies. In 1997, he founded Red Envelope, an Internet-based branded consumer gift retailer. In 1992, Scott founded Prophet, a brand strategy consultancy that employs more than 250 professionals in the U.S., Europe, and Asia. Scott was elected to the World Economic Forum's Global Leaders of Tomorrow.

Scott has served on the boards of directors of Eddie Bauer (Nasdaq: EBHI), The New York Times Company (NYSE: NYT), Gateway Computer, and UC Berkeley's Haas School of Business. He received a B.A. from UCLA and an M.B.A. from UC Berkeley.

Rafe Petkovic

Head of Industry—Retail, Google

Rafe Petkovic is responsible for leading Google sales teams that guide customer online/multi-channel strategy development and implementation, helping them drive more customers to their stores, and in the process, positively redefining the Canadian retail industry.

Rafe has a deep understanding of the challenges presented by technological change, its influence on consumer behaviour, what this means for retailers, and many years of experience guiding online strategy integration. During his time at Google Australia, Rafe developed and implemented the organisation's mid-market acquisition strategy, working with Australia and New Zealand's most dynamic retailers. Most recently, Rafe performed this role with Australia's largest publicly listed retailers. Prior to Google, he worked in sales and change management in the pharmaceutical industry.

A specialist in change management and implementing growth strategies, Rafe has a Bachelor of Applied Science (University of Sydney) and completed his Masters in Business Administration at the Australian Graduate School of Management.

Rafe is passionate about helping businesses achieve their growth objectives, and will happily engage in vigorous conversation on following topics: travel, music, shopping and his pet british bulldog.

Chris Hodgson

Sector Lead—Multichannel Solutions, Google

Chris is an entrepreneur and executive with 20 years of experience building and growing companies in the Internet, retail, mobile and technology industries. He has been a founding member of two successful start-up ventures.

Chris currently leads the Canadian Retail and Tech business at Google Canada—working closely with major Canadian retailers and tech companies to help them understand the value of the internet for their business. Prior to joining Google, Chris co-founded KidStart—a VC-backed, U.K.-based, consumer loyalty program—giving parents money back for their kids whenever they shopped online with over 450 retailers—including Marks & Spencer, John Lewis, Argos, Boots and Tesco.

Prior to KidStart, Chris held various roles at Computacenter, a FTSE 250 IT company. Amongst other things, Chris was responsible for turning around Computacenter's business in France—a €400m business with 1,200 employees—and also growing global partnerships with software companies, such as Microsoft, Symantec and IBM.

Prior to Computacenter, Chris spent four years at Accenture advising communication and high tech clients on their business strategy. In this capacity, Chris was part of the management team that launched uSwitch.com, an online energy switching business that was acquired by EW Scripps in March 2006 for £210m.

Chris began his career as a professional engineer for Esso, delivering capital improvement projects at refineries. He has a Mechanical Engineering degree from Queen's University in Canada and an MBA from Insead in France. He lives in Toronto with his wife and two young children.

Maureen Mullen

Director of Research & Advisory, L2

Maureen leads L2's research and advisory practice, where she helped develop the Digital IQ Index®. She has benchmarked the digital marketing, e-commerce, and social media efforts of more than 300 brands across pharma, auto, luxury, specialty retail, beauty, and the public sector. Maureen also has led digital strategy consulting engagements for a variety of Fortune 1000 clients. Before joining L2, Maureen was with Triage Consulting Group and led managed-care payment review and payment benchmarking projects for hospitals, including UCLA Medical Center, UCSF, and HCA. Maureen has a B.A. in Human Biology from Stanford University and an M.B.A. from NYU Stern.

Claude de Jocas

Research Lead, L2

Claude started her career at Educational Consulting Services, Corp. (ECS) in hometown Toronto, Canada before joining L2 as a Research Associate. At ECS, she consulted on a number of international education planning projects, including the development of the University of Oman. Since joining L2, Claude has benchmarked the digital performance of brands across the fashion, fine jewelry, beauty and hospitality industries, and worked on advisory engagements for a variety of L2 member brands. Claude holds a B.A. in Economics and Environmental Studies from Yale University.

Tyler Zang

L2

Prior to joining L2, Tyler started her career working with the Computing Research Association on special topics in STEM program management. She went on to serve as a research assistant at the Markle Foundation, focusing on unemployment, public health and innovating governance with technology. Tyler holds a B.A. in English from the University of Virginia, and an M.A. in Media, Culture, and Communication from NYU.

Katie Brehm

L2

Katie is a Research Associate at L2, specializing in the retail and fashion industries. She joins L2 from Macys.com where she was a Marketing Manger developing multichannel marketing campaigns, overseeing brand partnerships, delivering data-driven insights, and leading innovative e-commerce initiatives. She began her career at Deloitte Consulting, advising clients on organizational restructuring and technology solutions. Katie holds a B.B.A. in Business Honors & Marketing from The University of Texas at Austin.

Aaron Bunge

L2

Aaron is an art director who specializes in data visualization, collateral, branding and identity, packaging, and web design. His approach is aesthetic and functional, characterized by clear, intelligent design appropriate to the project at hand. He began his career tailoring projects for the Chinese, Australian, and U.S. markets across multiple design disciplines and in multiple languages. Aaron has a B.F.A. in Graphic Design from Iowa State University.

A special thank you to **Colin Gilbert** and **Radhika Patel**.

L2 business intelligence for digital.

We are a membership organization that brings together thought leadership from academia and industry to drive digital marketing innovation.



RESEARCH

Digital IQ Index®: The definitive benchmark for online competence, Digital IQ Index® reports score brands against peers on more than 600 quantitative and qualitative data points, diagnosing their digital strengths and weaknesses.

Intelligence Reports: Complement L2's flagship Digital IQ Index® with a deeper dive on platforms or geographies of future growth. Critical areas of investigation include: Mobile, Video, Emerging Platforms, APAC, and Brazil Russia India.



EVENTS

Forums: Big-picture thinking and game-changing innovations meet education and entertainment. The largest gatherings of prestige executives in North America.
300+ attendees

Clinics: Executive education in a classroom setting with a balance of theory, tactics, and case studies.
120–180 attendees

Working Lunches: Members-only lunches led by digital thought leaders and academics. Topic immersion in a relaxed environment that encourages open discussion.
40–80 attendees



MEMBERSHIP

For membership info and inquiries: membership@L2ThinkTank.com

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LUNCH: FOCUS 2014

April 02, 2014 · Shanghai

CLINIC: AMAZON

April 08, 2014 · Paris

CLINIC: AMAZON

April 09, 2014 · Geneva

CLINIC: AMAZON

April 11, 2014 · London

Upcoming Research: Q2 2014

DIGITAL IQ INDEX® REPORTS:

Beauty: China

Food

Beer

Auto

L2 INTELLIGENCE REPORTS:

Amazon

Mobile

Tablets

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