

# BREAKING YOUR BRAND'S FLYER FIXATION

In 2015, U.S. brands spent 16% of their advertising budgets on print media, like flyers, to reach consumers who were then only spending 4% of their time reading them<sup>1</sup>. And while readership stats have declined even further in the past couple of years, most marketers haven't significantly reduced their flyer budgets... At least not the marketers at many brands we're familiar with.

Why do marketers remain irrationally dedicated to the medium, ignoring the print industry's nosedive resulting from double-digit readership declines and a surge of consumers opting out of what they considered "junk mail?" Add in rising print and distribution costs, and it seems impossible to justify the flyer's diminishing returns. Yet, many brand leaders continue to defend their use.

Their excuses appear to fall into one of three categories:

## 1. "I believe flyers really work for our business."

Marketers have become ever more adept at measuring the impact of branded communications. After all, commanding the kind of massive media budgets required to browbeat or bribe consumers into buying is viewed with increasing scrutiny and suspicion.

For many brands, flyers are tied to an outdated, merchant-driven culture with deeply ingrained beliefs about the importance of their flyer to the success of their weekly category sales.

As such, many marketers often quote research studies (most of which are sponsored by biased print media companies) that conclude, year after year, that consumers are still highly influenced by flyers<sup>2</sup>. Or, they architect complex attribution models to measure the impact and effectiveness of their brand's flyers, and conduct in-market tests to gauge return-on-investment.

However, these attribution models and tests often fail to factor in offer richness and promotional sensitivity; and rarely do the ROI calculations properly account for the full costs of producing the flyer (beyond printing and distributing, the internal and external labor costs required to ultimately create the flyer). Furthermore, in-market tests typically (and mistakenly) measure the impact of flyer distribution against the absence of a flyer, instead of measuring the impact of flyer stimuli against the impact of alternative stimuli to gauge true print media effectiveness.

Anyone can find evidence to support whatever they want to believe is true. Heck, some people still claim smoking has positive side effects<sup>3</sup>. But wanting something to be true doesn't make it so.

## 2. "We've relied on flyers for years. Why stop now?"

Old habits die hard. Many brands have such a long-standing legacy of flyer usage that their employees believe it's just part of the brand's heritage, "Something we've always done", and that consumers would revolt if they ever took their flyer away. Worse, many marketing departments' very existence is tied to flyer production, making its reduction or removal an issue of job security, and few want to jeopardize their livelihoods by raising concerns.

Within many organizations, flyers are often considered internal communications (like helping front line associates know what's on sale), or a co-op vehicle to collect incremental vendor funding, more so than an external marketing communications device. But there are much less expensive and time-consuming ways to achieve those objectives.



1. <https://techcrunch.com/2016/08/06/demystifying-the-booming-mobile-advertising-market/>  
 2. <https://metroland.com/press-releases/the-millennial-shopper-deal-savvy-and-highly-engaged/>  
 3. <https://io9.gizmodo.com/here-are-the-ways-smoking-may-actually-be-good-for-1721438933>

For others, flyers are tied to corporate culture, and perpetuated within merchant-driven organizations with deeply ingrained (albeit outdated) beliefs about the importance of their flyer to success of their weekly category sales. Their flyer has, for many years, served as the primary promotional vehicle, and their vendors have huge expectations on the flyer to increase the visibility and demand for their products.

So, instead of adapting marketing practices in response to consumer behaviour, these organizations continue their flyer tradition out of an obligation to their organization's buyers. We've seen many marketing leaders fail to question the flyer's existence for risk of upsetting those who wield the true organizational power.

### 3. "Doing flyers is better than doing nothing."

Flyers have become the default go-to promotional vehicle for brands and organizations lacking the marketing sophistication or imagination to consider more viable alternatives. Compelled to do something – anything – to drive foot traffic and sales, they turn to the age-old flyer, overlooking the plethora of evidence that flyers are ignored by most consumers. Despite professional direct marketers admitting the average response rate for flyers is a disappointing 1%,<sup>4</sup> marketers' continued fixation on resource-intensive flyers is more a symptom of desperation than rational thinking.

#### The Flyer Program of the Future

Social and mobile media continues to drive consumer engagement and divert consumer attention away from traditional media. As such, savvy brand marketers are replacing the reach and frequency of flyer marketing with new digital and mobile ad executions proving to be far more impactful.

In a radical 2014 experiment<sup>5</sup>, the Canadian Tire-owned retail chain, **SportChek**, made the decision to go flyer-free for four weeks, diverting the investment instead into lifestyle-focused Facebook ads. The sky didn't fall. In fact, year over year revenue jumped 12% and sales of featured items were up 21% during the same period. The results led SportChek to redeploy 25% of the \$20 million per year the brand was spending on flyers towards more engaging digital marketing alternatives. "One day, it will be insane to remember the days that we put out 11 million pieces of paper to advertise offerings, given where digital is going today," said Duncan Fulton, head of marketing at SportChek.

Today, digital media can now accomplish the same things that flyers once did, only much more effectively, and more measurably. "Being able to customize and merchandise the right product to the right consumer is critical for the future of flyers," affirms Wehuns Tan, CEO and co-founder of Wishabi. As consumers

continue to transition towards more digital lifestyles, mobile web and in-app advertisements are seeing a significant rise in prevalence and effectiveness. Just as the traditional printed flyer had played a pivotal marketing role, digital ads are now influencing 77% of in-store purchases, according to Google.



Following a flyer-free experiment, Canadian retail giant, SportChek, redirected a quarter of its flyer budget into digital engagement tactics.

With consumers now spending 25% of their time on mobile devices, smartphones have become the ideal vehicle for marketers to intercept – instead of interrupt – consumers with relevant, hyper-targeted offers and content that is not only highly engaging, but highly motivating, and highly actionable.

#### Hyper-Targeting: Reaching Buyers With Laser-Guided Relevancy

While printed flyers exemplify the wasteful spray-and-pray approach to promotions, mobile hyper-targeting is akin to a laser-guided harpoon for reaching consumers when and where offers are most relevant to them. Through a combination of mobile geo-fencing and an integrated network of thousands of websites and mobile apps, marketers can now isolate a physical area – as focused as a single building – to deliver hyper-targeted display ads to the residing audience's smartphones.

Delivering the right ad then becomes a matter of responding to each smartphone user's browsing and app usage behavior – a technique made possible through **mobile ID tracking**. Mobile ID tracking delivers comprehensive targeting data that reveals each individual consumer's actual interests and behaviors, so ad impressions can be generated based on how an audience interacts with the real world, wherever they're shopping, eating, working, or playing, at the moment.

4. <https://dma.org.uk/article/what-is-the-response-rate-from-leaflet-distribution>

5. <https://www.ctvnews.ca/business/retailers-still-loyal-to-paper-flyers-even-in-digital-age-1.1845719>

Case in Point: JB's Power Centre

After decades of blanketing western Canada with traditional printed flyers, JB's Power Centre needed a better return on their marketing investments. The automotive retailer also needed to gain traction with a younger market, known to be much less receptive to paper flyers.

Through a hyper-targeting approach, sales promotions – in the form of a digital flyer – were deployed over a three-month period displayed exclusively to mobile and desktop web users who matched the demographic and geographic criteria of JB's target customer profile. The campaign exceeded expectations in three dimensions:

- 1. **Response:** The campaign generated significant increases in retail store traffic during each promotional period. Both mobile and Facebook response rates were multiple times higher than standard industry benchmarks.
- 2. **Reach:** 36% of total responses came from 18–34-year-old males – a crucial customer segment who are particularly difficult to reach through printed flyers.
- 3. **Costs:** The average cost per impression ranged from \$0.98 to \$1.11 compared to JB's printed flyers at \$2.25 per impression (see Fig. 1).

CAMPAIGN	DISTRIBUTION	READS	COST/READ	COST/FLYER
PRINTED FLYER				
Printed Flyer 1	38,000	2,533	\$2.25	\$0.15
HYPER-TARGETED DIGITAL FLYER				
Digital Flyer 1	163,032	3,575	\$1.11	\$0.02
Digital Flyer 2	165,077	5,083	\$0.98	\$0.02

Fig. 1: In switching from a traditional printed flyer to a hyper-targeted digital flyer, JB's Power Centre realized substantial cost efficiencies.

Not only did the digital hyper-targeting campaign provide JB's Power Centre with a more cost-effective alternative to print flyer distribution, it also generated significant awareness of JB's product offerings among an audience that printed flyers simply couldn't reach. The intelligence harvested from response and behavioral analytics will be used to inform future campaigns, and to further increase engagement with the digital flyer.

Case in Point: Boston Pizza

To support the opening of a new location, national restaurant chain Boston Pizza opted to test a digital flyer in place of its typical printed flyer.

By geographically hyper-targeting desirable customers in key neighbourhoods proximate to the restaurant with relevant offers, the restaurant saw a significant upswing in both response and sales revenue. In fact, the restaurant increased online orders by 16% during the campaign, and saw a significant increase in overall revenue and average order value, outperforming all other restaurants during that period.



Fig. 2: Boston Pizza's digital flyer ignited traffic and sales during off-peak periods, most notably in the early morning hours.

Additionally, the campaign generated strong traction during off-peak dayparts – during late-night and post midnight – prompting the restaurant to extend delivery hours, and generating additional sales revenue (see Fig. 2).

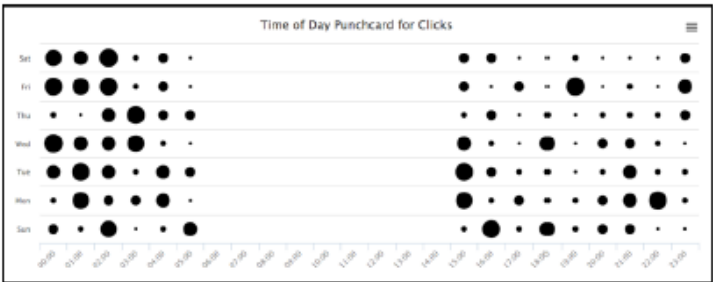


Fig. 2: Boston Pizza's digital flyer ignited traffic and sales during off-peak periods, most notably in the early morning hours.

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## Conclusion

Continued over-reliance on traditional printed flyers to do the heavy lifting for consumer awareness and customer traffic is misplaced. The effectiveness of utilizing postal codes to generate traction amongst a volume of unidentified consumers through printed media can now be vastly improved by supplementing flyer campaigns with digital media that exploits mobile ID tracking to hyper-target individual, ideal customers with actionable offers.

By speaking only to those exhibiting the interests and behaviours of a brand's ideal customer, hyper-targeting campaigns typically achieve a response rate of more than double the current digital display ad performance benchmarks, drastically reducing wasteful spending by reaching the consumers who'll be most receptive to each promotion or offer.

Augmenting a traditional print flyer program with a comprehensive digital hyper-targeting strategy ensures marketers are getting the best return-on-investment by reaching their brand's ideal customer – when and where offers are most relevant to them. And, it provides actionable business intelligence upon which informed and impactful decisions can be made in future.

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## About Cult Collective

Cult Collective LP has spent nearly a decade decoding the cult brand genome, distilling the practices and principles of the world's more coveted brands into six key areas of discipline. Cult Collective works with brands and organizations to assess their cult brand potential, and provides recommendations and strategic plans for redeploying investments in traditional media towards the six areas that matter most.

## About Carto Media

Carto Media helps businesses hyper-target advertising to very specific customers based on the places they visit. Carto collects mobile IDs and helps clients map out ideal customer behaviors to ensure campaigns are efficient and successful. We can pinpoint any mobile device in an area as small as a kitchen or as large as the Great White North itself. We help brands exploit the ever-evolving digital advertising scene and exploit the latest tech as core competitive advantages, so they don't get left behind.



### Rob Howard

Over my 20-year career, I've worked with super-brands like Nike, Zappos, Harley-Davidson, Michaels, Canadian Tire and The Home Depot. Today, I'm Cult Collective's Chief Engagement Engineer, helping brands transform ordinary customers into devoted fans with irrational loyalty. I enable brands to create meaningful, profitable connections with consumers in ways that traditional marketing can't, often by redeploying short term advertising investments into sustainable customer engagement strategies that make a bigger difference in the long term.

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**The path to enlightened marketing starts here.**

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