

# Delivering THE **ONLINE** **WORLD**<sup>™</sup>

Fall 2020

## *Harry Rosen* *embraces e-commerce*

### PLUS

- Matt & Nat on standing out
- Abeego on expansion + pivoting
- Industry experts on COVID-19 strategies



Think Like an

E-commerce

Leader 2020



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## Building agility and resilience in 2020 and beyond

On September 23, leading experts shared industry trends, innovations, inspiration and advice for finding success in the ever-evolving retail landscape.

Watch the virtual event on demand at [canadapost.ca/virtualevent](https://canadapost.ca/virtualevent).



# Delivering THE ONLINE WORLD

Fall 2020

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## Adapting to a new retail landscape

We started to first think about this issue of DTOW before COVID-19 had fully hit the retail sector.

We didn't know then the scale of disruption that this virus would unleash on the industry – how it would disrupt consumer shopping patterns, supply chains and the operations of brick-and-mortar stores.

But when everything changed in a few short weeks, we all found ourselves having to pivot, fast.

Let me say, we are so impressed by your efforts throughout this incredibly difficult and turbulent period. We're inspired by how quickly you adapted to meet the challenges of COVID-19, and how you are evolving to what may be a new retail landscape. This issue is largely dedicated to the courageous resilience we've witnessed.

We've talked to retailers of all sizes about how they're weathering this stormy period, and we've sought insight from experts about effective ways to adapt. You can find this special section on page 18.

We also want to inspire you in this issue. We hope you'll find some strategic takeaways in our feature stories on menswear fashion icon Harry Rosen (page 12) and vegan handbag brand Matt & Nat (page 10). We're also excited for you to discover how Abeego, a growing niche business that sells organic food wraps, has embraced sustainability and how that authentic commitment has helped fuel its success.

As we head into the peak of the holiday season, we know you'll also be focused on 2021 and where you go from here. I want you to know that DTOW will be right there with you. Expect to see some exciting new content next year aimed at helping you to further evolve, grow and succeed no matter what the future brings.

**Doug Ettinger**  
President and CEO, Canada Post

**P.S.** You can visit [canadapost.ca/InspireAndEmpower](https://canadapost.ca/InspireAndEmpower) to find more helpful content related to this issue, and to sign up your preference to receive future digital and/or physical issues of the magazine.

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Last holiday season, 62% of online shoppers paid more attention to returns policies.



## Wrap up the year with a strong returns policy

Our flexible and simple solutions let you offer shoppers a hassle-free holiday returns experience.

Book a free consultation with one of our experts at [canadapost.ca/returns](https://canadapost.ca/returns) or call 1-866-747-3871.



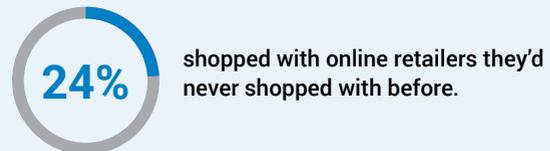
# ONLINE WORLD BY THE NUMBERS

## Five ways to stay ahead of changing behaviours

In June, Canada Post commissioned a survey of 3,000 online shoppers to learn how consumer behaviour has shifted due to COVID-19. The results reveal long-term changes that are likely here for the long haul. Businesses like yours need to be ready to evolve. Here's what you need to know:

### 1. Double down on your e-commerce presence

Customers have become more open to shopping online with new retailers, including retailers they only previously visited in person and those they've never shopped with before at all. Now is the ideal time to put everything you can into the customer experience as part of your acquisition efforts for your e-commerce channel.



With more businesses going online, competition is fierce. You need to stand out to compete. Ensure your website is easy for shoppers to navigate, browse, buy and check your policies. The goal is to provide shoppers with an experience that will convert them into customers.



### 2. Be Canada proud

One of the biggest shifts that have taken place recently began before the COVID-19 situation. Canadians are, and have been, increasingly supporting Canadian retailers – and not just with words, but with their pocketbooks. It's become a major factor in why consumers here choose one retailer over another.



Now is a great time to seek Canadian customers. Across your communications, ensure you prominently showcase your Canadian roots.



### 3. Find ways to offer free shipping

In the end, it's what shoppers want. Evaluate how to approach this winning factor for your business..



chose one retailer over another because they offered free shipping.

A common misconception is that free shipping means free for every purchase. However, providing free shipping with a minimum threshold will motivate shoppers to increase their cart size to obtain the freebie. It's a win for your customers and a way for you to increase the all-important average order size.



### 4. Manage expectations

It's important to clearly communicate what customers can expect when it comes to your shipping policy, returns policy and delivery timelines, including any expected delays. This is especially important during the COVID-19 period, when uncertainty lingers, and into the holiday selling season, when competition is at its highest.



picked one retailer over another because of its flexible returns policy (either allowing returns by mail or in-store and/or extending the returns period).



don't mind waiting longer for purchases if they're given an accurate delivery date upfront.



agree that they're more accepting of delivery delays when the tracking is up to date.



Simply be transparent in your communications. Don't give shoppers a reason to choose another retailer.

### 5. Give shoppers the options they want

Shoppers are more than ever seeking choices when it comes to making transactions. So, if you can sell on more than one channel, do so. As well, try to offer a choice of delivery options, like curbside and in-store pickup.

Compared to before COVID-19, over the next few months:



of online shoppers who have done curbside or in-store pickup plan on doing it more.



who have previously shopped online for delivery plan on doing it more.

Have a retail footprint? Invest in your omni-channel strategy to enable options like curbside pickup. Shoppers will come.



Find the tools, guidance and insights you need to operate more effectively in the changing e-commerce landscape at [canadapost.ca/ecommlider](https://canadapost.ca/ecommlider).

# What growth leaders do differently

Our research shows that Canada's e-commerce growth leaders do things differently than the rest of the pack – and that some industries embrace these growth strategies more than others.

See how your industry measures up:

## 1 Operating a direct-to-consumer channel



**68%** of growth leaders are conducting direct-to-consumer e-commerce.

**Most inclined:** Food and beverage, pet food and supplies, health, jewellery, art/hobby/craft.

**Least:** Music and video, appliance, toys, sporting goods, computer and electronics.

## 2 Using online marketplaces

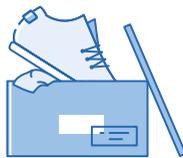
**42%** of growth leaders currently sell on marketplaces.

**Most inclined:** Computer and electronics, music and video, collectibles, toys, automotive.

**Least:** Food and beverage, pet food and supplies, art/hobby/craft, health.



## 3 Selling internationally



**67%** of growth leaders sell and ship goods to international markets.

**Most inclined:** Music and video, footwear, collectibles, jewellery, toys.

**Least:** Food and beverage, furniture and home decor, health, beauty.

## 4 Outsourcing fulfillment

**9%** of growth leaders currently use a fulfillment partner. However, growth leaders as a whole place a higher priority on outsourcing fulfillment in the near future.

**Most inclined:** Appliances, footwear, health, computer and electronics, books are the segments most likely to be currently using a fulfillment partner.

**Future:** Computer and electronics, appliances, health as well as beauty are the segments that are most inclined to prioritize this growth strategy for the near future.



## 5 Future environmental stewardship



**45%** of e-merchants say their overall environmental stewardship will be a high priority in the near future.

**Most inclined:** Food and beverage, beauty, health, pet food and supplies, clothing.

**Least:** Automotive, sporting goods, toys, music and video, books.

For more great insights from Canada's leading e-commerce retailers, download our free e-book at [canadapost.ca/canadianemercants](https://canadapost.ca/canadianemercants).

# Thrive in today's online market.

Think like an e-commerce leader.

The rules of business have changed. Respond to the unique challenges of today, while maintaining your competitive edge – and learn to thrive in a shifting market.



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Download the free e-book today at  
[canadapost.ca/CanadianEmerchants](https://canadapost.ca/CanadianEmerchants)

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Chief executive Manny Kohli shares how Montréal-based Matt & Nat has set itself apart within the ultra-crowded – and competitive – global fashion industry.

# STYLE & SUSTAINABILITY

By John Greenwood

As chief executive of popular vegan fashion brand Matt & Nat, Manny Kohli knows better than most how consumer tastes can shift. Two decades ago, the apparel industry was struggling with the concept of vegan leather. But then consumer interest began to pick up, especially among young people – and the sustainability trend exploded.

Today, Montréal-based Matt & Nat, known for sleek and modern designs, is a rising star in the world of cruelty-free fashion, itself one of the hottest categories in the apparel industry.

With 200 employees and customers across North America, Europe and Australia, Matt & Nat's revenue hit \$40 million last year – thanks in part to a strong omni-channel retail strategy. The company sells direct-to-consumer through its e-commerce channel, has wholesale customers in more than 100 countries ranging from independent fashion boutiques to major department stores, and operates a small chain of 14 Matt & Nat branded stores that are key to Kohli's strategic vision.

## Balancing act

The main function of the branded stores, Kohli explains, is to remind consumers that Matt & Nat is out there, just like a billboard.

"The stores pushed us to a different level," he says. "But we don't want to be in every mall. Imagine, if you could get any item in our collection in every corner store. There's nothing special about it."

Still, the appearance of the shops caused anxiety among some wholesale customers. They feared their business might get eroded, despite Kohli's assurances that the move was all about brand building. "I told them,





“The [branded] stores pushed us to a different level. But we don’t want to be in every mall. Imagine, if you could get any item in our collection in every corner store. There’s nothing special about it.”

Manny Kohli  
Chief Executive, Matt & Nat

“We’re here to help you. Your business is going to get better if we have more brand awareness.”

The company uses social media to help keep that promise.

### Strategic social messaging

“We never push our stores on social media,” Kohli explains. “We never say, ‘This bag has just become available at our own location, go pick it up.’ Instead, we tell people to go to the closest store [of one of our wholesale customers].”

This social messaging is firmly rooted in the company’s Instagram channel, where it unveils news about its collections and interacts with customers and influencers.

“Instagram is incredibly important,” says Kohli. “Whether you’re prime minister of Canada, or a bank, everybody is on Instagram today.”

They’re also shopping online more than ever, which has elevated the importance of Matt & Nat’s direct-to-consumer channel.

### Changing course

As COVID-19 hit and malls shuttered in much of the world, the company was left almost wholly reliant on e-commerce. Meanwhile, physical distancing rules meant it had to reconfigure staffing at its headquarters and warehouses. Some staff were sent home to work and a smaller proportion were laid off.

It “definitely hurt,” says Kohli. “But it helps that we have a very strong brand. We’re starting to see things coming back.” However, some of the changes could be permanent.

For instance, plans to build new offices have been shelved, probably for good. “We don’t need a new location anymore,” he says, adding that the COVID-19 situation proved productivity doesn’t suffer when employees work from home.

So where does Matt & Nat go from here? While the company is still dealing with the disruption caused by COVID-19, the big picture remains bright, and Kohli has no plans to give up the reins anytime soon. “This company is my passion.” **DTOW**

## TAKEAWAYS

- Social media messaging should be strategic – ensure it supports your growth objectives.
- The concerns of your retail partners are real – listen to and address them.
- Brand awareness has valuable long-term pay-offs – invest in it.

# FAMILY MAN

When he joined the executive ranks of Harry Rosen, the company his grandfather founded, Ian Rosen had designs on digital dominance. His plan is working.

By Jasmine Miller

Ian Rosen is reminiscing about being a stock boy, and it sounds like he's smiling. Rosen is talking on the phone about being a teenager and organizing display tables at Harry Rosen, his family's iconic menswear store, on Boxing Day. "That was before online shopping," he says. "Boxing Day was the real heyday of retail." Chaotic, too. Men and women grabbed overcoats from racks, inspected stitching and fabric, and dropped what didn't interest them to the ground. They shook out carefully folded shirts, held them up for a closer look, then put them down unfurled and moved to the next one. "My dad and grandfather [Chairman and CEO Larry Rosen and founder Harry Rosen] were always on the floor talking to customers," remembers the youngest Rosen. Today he's Vice President of Digital and Strategy at Harry Rosen. Back then, he "raced to fold shirts as fast as people undid them." He chuckles a bit at that.

Still, even when experiences are good, third

generations often aren't interested in a career at the family business. "I rejected it," says Rosen.

After his refolding days, Rosen attended Ivey Business School and the Kellogg School of Management, including study stints in China. "I felt like I saw the future," he says. It was the early 2010s and e-commerce was already entrenched there. "What is the chance that Canada doesn't get to a world like this?" he wondered then.

After earning an MBA, Rosen spent two years as a management consultant in Chicago. Projects in the mining industry lead to an epiphany. "I don't like mining. It's kind of boring," he says. "I get it, but I don't love it." Then he was assigned his first consumer products case, which required more creativity. "And I thought: I only want to do work that gets me excited." Fashion retail, in particular, was a good fit. "I love fashion, but I definitely didn't want to be in management consulting my whole life. So I thought I should find a fashion



Ian Rosen, Vice President of Digital and Strategy, Harry Rosen, in the Toronto flagship store.

company that's looking to accelerate its position in e-commerce." Finally, Rosen laughs out loud. Who could that forward-thinking clothing retailer be?

### **The homecoming**

Harry Rosen started in 1954 as a small, made-to-measure menswear shop in Toronto. Over the next 30 years, seven locations opened in Toronto, then Vancouver, Ottawa, Montréal, Calgary and Winnipeg. The family-owned business became known for exclusive collections, quality fabrics and personalized service. Today, there are 17 retail locations across the country employing over 1,000 people.

The company launched its first website in 2009 "against the advice of many who told my father, 'this is just a fad,'" says Rosen. Larry Rosen pushed ahead, "and we've used the last decade to learn how to run a business online," says the younger Rosen.

He re-entered the family fold in 2018.

"That gave us a mandate to change our investment strategy from building stores to building digital," he says. It wasn't a hard sell. His father and grandfather aren't afraid of change. "We're not 66 years old by accident," says Rosen. "By virtue of being a legacy organization, we're good at adapting. Now we're on a journey to digitize our business."

### **The changing face of fashion**

It might have been Silicon Valley's low-key aesthetic and focus on comfort that altered what it means to dress for success. Maybe it was the evolution of dress-down Fridays to everyday business casual that allowed employees everywhere to forgo ties and suit vests. Whatever it was, "the casualization of work is transforming our business and our customer," says Rosen. That required aggressively training employees on what

“Our advisors are bullish on our shift to online. They see it as an opportunity to extend the relationships they have with their clients.”

Ian Rosen  
VP of Digital and Strategy  
Harry Rosen



dressing for work looks like now. “There had been a boundary, things we held too sacred,” says Rosen. Example? “You actually can wear a t-shirt under a blazer now, but it has to be the right t-shirt.”

For decades, Harry Rosen has been an authority in the tailored world, “but we’re cementing ourselves as the go-to for men’s fashion advice now, not just for suits and ties,” says Rosen. “Our best customers are looking for weekend outfits, sports jackets, knits,” he adds. “It’s a lot more fun, but also a lot more challenging.”

The challenge isn’t just that customers are changing what they want. They’re changing how they want it.

### **It’s always about the people**

Soon after arriving, Rosen supported the addition of a new chief marketing officer to bolster the push into e-commerce. He also hired software developers, business analysts, performance marketing specialists and loyalty experts, “people who know the digital world and can help us establish a dominant position in it,” he says.

The key to success was buy-in from the company’s 450 sales advisors. To eliminate competition between online and offline selling, Harry Rosen never differentiated when a clothing advisor drove a sale online or offline. “Our advisors are bullish on our shift to online. They see it as an opportunity to extend the relationships they have with their clients,” says Rosen.

A focus on digital meant changes to operations as

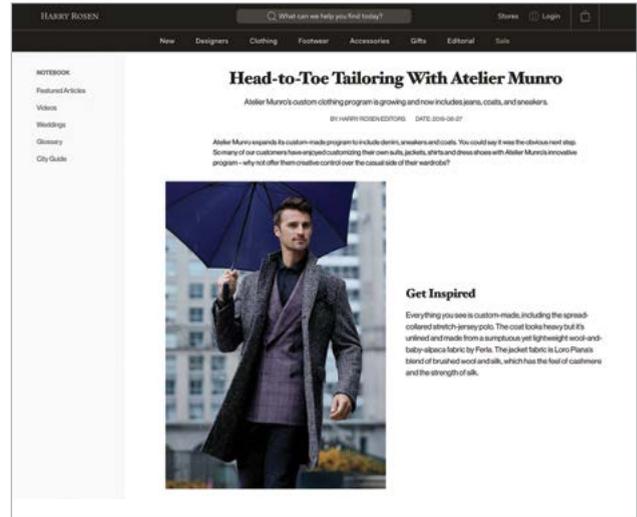
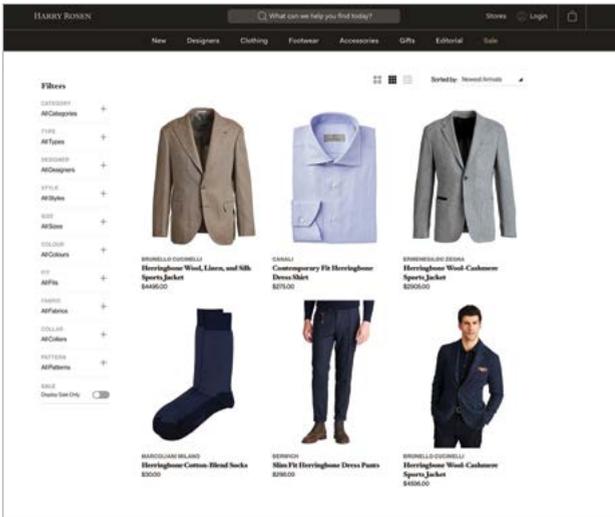
well. “We’re hearing loud and clear that if a customer gets two boxes when they wanted one, and that wasn’t communicated to them, they’re upset,” says Rosen. It’s the same for delivery promises. Without a heads-up about delays, people aren’t pleased. “It’s no longer good enough for us to just sell nice stuff,” he adds.

To help meet those changing customer expectations, the company hired a new director of logistics with experience at Walmart and Sport Chek, large retailers used to moving huge quantities of inventory. “You need the right systems to make sure you’re picking orders effectively,” says Rosen. “We’ve never had to be an efficient operator, but we know our clients are benchmarking us against the likes of Amazon.”

### **The opportunity of the unimaginable**

Before COVID-19 forced retail operations across the country to close, online sales represented 7% to 8% of Harry Rosen’s revenue. During the period that followed, “Black Friday-style traffic” as Rosen calls it, drove that number to 40% in the first half of 2020.

In March, the company was planning to rebuild its e-commerce website by the end of 2020. But with the spike in demand due to the COVID-19 situation, there was no time to wait. “You’d be crazy to budget six months to finish a complete re-platform effort that included all back-end systems, such as the order management system,” says Rosen. Crazy times call for crazy measures: the new website experience is now up



and running. It will be vital to meeting Rosen's 2020 e-commerce sales target – ending the year up 350%. "It [e-commerce] will nearly be our biggest store," he says.

**The modern-heritage blend**

When he opened his first store in what was an unfashionable part of Toronto, customers made appointments, giving Harry Rosen and his co-founder brother Lou time to lay items on a table before the customer arrived. Harry named it "the laydown."

There are rules to a good laydown: There must be a focal piece, accessories that accentuate it, and options presented in threes. "You've got to push the customer's boundaries a little bit. You don't just show what they said they want," adds Ian Rosen.

Every advisor is trained on the laydown. Today, though, the practice has been modernized by Herringbone, the digital selling app (with real-time inventory and customer records), which the younger Rosen introduced in the summer of 2019.

Advisors use the app to curate outfits from merchandise on the website, which customers can purchase in just a few clicks. "The goal is to not force our clients to wade through the website themselves. The heavy lifting is done for them," says Rosen.

Advisors can also use Herringbone to build a profile so the next time that customer arrives, the advisor will know sizes and preferences and can make suggestions to match.

"What a laydown says, whether it be one that's done in person, the way my grandfather did it, or digitally, the way our advisors do it today, is 'let's focus on the relationship between you and me.'"

Clothing trends will come and go, popular styles will disappear, but tools and technologies will allow the Harry Rosen brand and the laydown to last. "I couldn't think of a better legacy than that," says Rosen with a smile. D.T.O.W

**TAKEAWAYS**

- The delivery experience matters to customers. Choose a partner who can help you make it easy.
- Successful retailers need to be efficient operators too. Why? Because you're being benchmarked against the largest players.

For more on how Harry Rosen is embracing e-commerce and fine-tuning its approach to retail, watch Ian Rosen's interview at Canada Post's Think Like an E-commerce Leader event. Visit [canadapost.ca/virtualevent](http://canadapost.ca/virtualevent).



# FRESH APPEAL

How Abeego wraps sustainability and story into a customer-focused strategy that can create long-term success.

### **Toni Desrosiers has always done things differently.**

When her friends were busy cramming for university exams and starting careers, she decided to go to nutrition school. Not long after, she launched Abeego, along with her quest to change the way society handles food preservation.

Desrosiers sells beeswax foodwraps that are reusable, last a year or more and keep food fresher than the synthetic version, because, as she says, they breathe.

“If you think about plastic wrap it’s about the least pleasurable product on the market,” she says. “I honestly don’t understand how it survives. So I decided to figure out a way to create a better user experience and keep food alive and fresh longer.”

Started in 2008, Abeego states that roughly half of its sales come from Canada, with the rest divided between the U.S. and Europe. Broadly, there are three main sales channels: e-commerce from the company website; deals with distributors; and wholesale partners, ranging from independent health food stores to Longo’s supermarkets in Ontario.

Altogether, Abeego wraps are sold in more than 2,000 stores worldwide.

### **Getting started**

Desrosiers had begun with a stall in a local farmers’ market, which led to calls from curious journalists. The stories they published — she’s appeared everywhere from trade magazines to *The Washington Post* — helped drive consumer awareness.

As revenue grew, Abeego set up a small manufacturing plant. Gradually, she hired staff, financing growth from profits.

“We’ve bootstrapped our way up,” she says. “We’ve always been self-funded.”

Another key success driver was the rise of the sustainability movement, which began to take off a few years after Abeego launched. With the onset of that trend, the challenge became more about managing growth, which proved easier said than done.

### **Bumps in the road**

In 2014, Desrosiers gambled that the time was right to invest in a manufacturing plant expansion. But it didn’t go as planned. “I had spent money that wasn’t earmarked for the right things,” she says. “And the market wasn’t ready.”

The silver lining was that it forced her to revamp her marketing strategy, especially how she communicated her brand story. “I always had this big vision for the brand, but I wasn’t quite sure how to articulate it,” she says.

The solution arrived unexpectedly when she walked past a bowl of lemons at a business conference.

A light went on in her head. The skin of a lemon is natural, breathable and it keeps the fruit fresh for a long time — just like Abeego.

It was a simple, powerful image that potential customers could easily grasp, and it had an immediate impact on sales.

### **Uncertainty and the future**

Growth remained strong into the early months of 2020. Then COVID-19 hit. With the mandatory closing of physical stores in so many regions, Abeego — like many omni-channel businesses — was left without a key distribution channel.

In response, Desrosiers doubled down on her e-commerce channel, selling direct-to-consumer.

She streamlined the website and added more product information to make it easier for new customers to understand the brand. Even now that the world is slowly opening, she plans to remain focused on the direct-to-consumer channel — along with her ultimate goal.

“We can do more good collectively than we can do alone,” she says. “But it takes healthy people to build a healthy world.” DTOW

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## **TAKEAWAYS**

- **Mistakes can reveal where you need to make improvements — see them as opportunities.**
- **Shoppers need to easily get your value proposition — embed it across your marketing materials.**
- **Authenticity never goes out of fashion — wrap your brand in it.**

# WHAT NOW?

How can you tackle the challenges and opportunities the COVID-19 crisis brought? We asked industry experts and retailers to weigh in, get to the point and provide action-oriented advice. Here's what they think you should know and do now.



**Mario Paganini, Head of Marketing, Shippo, and Ben Emmrich, Senior Director of Carrier Partnerships, Shippo**

"We've seen double the orders across our network compared to before the shelter-in-place orders," says Paganini. Half that new volume is coming from net-new customers. Meaning: "There are consumers who were resistant to e-commerce who, out of necessity or convenience, were forced to take that plunge when COVID hit."

**What does that mean for you?**

You must be seen as a source of ongoing value. "Now more than ever, we ask every merchant, 'how are you taking every interaction and using that to build a relationship with your customers?'"

"If COVID happened 10 years ago, many more merchants would have been in a worse situation," says Emmrich, "not as many could have survived." Why? "A decade ago, you didn't have any of the platforms that support running a business or as many that allow companies to sell."

**What does that mean for you?**

"For folks on the smaller side, one way to increase sales is to increase the locations where you're selling," says Emmrich. Open an Etsy or eBay store, consider Cratejoy for your subscription-box business or explore Newegg if your offering is tech-based.

# NORTHERN REFLECTIONS

## Real-world application

Fashion retailer Northern Reflections has 139 stores across the country, a staff of 1,500 and a clientele of predominantly seasoned, sophisticated women who shop in-store. “Legacy retailers grounded in a physical store footprint sometimes see e-commerce as secondary to their business,” says Lisa Kudrenski, Director of Marketing and Creative, Northern Reflections. “But we remain humble about tech.” During the crisis, that paid off.

Between April and July, revenue jumped 160% compared to the same period last year. Creating an online environment that appealed to the company’s traditional buyer and focusing on customer experience were key to making that happen.

Employees started working from home in March, and the customer service team focused on shop-by-phone. That meant providing callers fashion advice, help navigating the site and assistance finalizing sales, but “we also communicated to customers that they were able to phone a friend to listen,” says Kudrenski. Before the crisis, the team answered three to six calls a day. After lockdowns, that number, at its peak, hit more than 300.

“It gave us the opportunity to really get to know our customer, to understand what she was looking for online,” says Kudrenski. “That insight drove us to make updates and enhancements, including live-chat and richer product descriptions.”

“We now have a channel for many customers who typically never ventured out to online shopping. And now that she’s found it, we believe she’ll stay.”



## Diane Brisebois, President and CEO, Retail Council of Canada (RCC)

“In March, we cancelled all in-person events,” says Brisebois. That included the RCC’s annual conference, which brings together 2,500 people and generates nearly half the organization’s annual operating budget.

Like its members, the RCC had to pivot for survival. It offered services at no charge, hosted daily virtual calls with thousands of nervous retailers from across the country and created the *Retail Recovery Playbook*, which has been downloaded over 10,000 times. “Today our members are looking for data,” says Brisebois. “Did their performance mirror that of others in their sector, and what are others doing to improve their business?”

Those answers vary across industries, but for all brands looking to stay competitive, “the pandemic is going to force you to make your business more efficient by embracing technology,” says Brisebois.

### What does that mean for you?

Evaluate your entire operations, everything from employee scheduling and payroll, to supply chain management. “What are the pain points? You have to audit everything objectively and say, ‘this needs to be fixed,’” says Brisebois.



### Real-world application

Canadian Down and Feather Company (CDFC) manufactures and sells bedding on its website and through retailers large and small. All retail partners stopped buying in March. “We’d been growing year over year, so this sudden decline was scary,” says Ashwin Aggarwal, the company’s CEO. There was inventory, commercial space and 40 employees to worry about. Aggarwal froze all spending and cut hours, including for management, to ensure no layoffs.

Driven by direct-to-consumer e-commerce, sales normalized by June. In fact, CDFC was able to compensate staff for all lost hours and provide an additional pandemic pay premium, but there were still significant challenges ahead. “We had to figure out how to create a safe work environment for our people, without compromising the level of customer care, product quality and quick service that our customers expect.”

Many employees worked from home, requiring technology investments: upgrading a VPN for better remote access and hiring a new systems administrator. These changes were part of Aggarwal’s long-term growth strategy, but the pandemic accelerated the timeline. “It was like going forward three years, but in only three months.”



CANADIAN DOWN & FEATHER COMPANY  
FEEL THE COMFORT OF HOME



### Rod Hart, Chief Customer and Marketing Officer, Canada Post

“COVID-19 caused online shopping to advance three to four years,” says Hart. Canadians are shopping online more than ever. “This is an opportunity to reshape your business and capture the growth that’s there. You’ve got to make sure you’re in consideration for that spend.”

#### What does that mean for you?

Optimize your operations. For example, are you using all channels to fulfill orders: in-store, online and curbside? That last one is especially important for retailers with physical stores. “How do you enable local customers to have a seamless, frictionless, curbside experience with no frustrations?”

Partners can help with this. Reach out to them now. “We all have insights and best practices around what companies do to manage inventory, make returns easier or design a fulfillment operation that’s scalable.”



**Krishna Iyer, Head of Industry Relations and Strategic Partnerships, ShipStation**

“COVID caused the returns window to blow wide open,” says Iyer. “Some retailers had a two-week or 30-day window, but now that needs to be closer to indefinite.”

**What does that mean for you?**

You need to make the returns experience seamless and simple. Consider a return label in your packages or offering a print-from-home return-label option.

With sales increasing for some retailers, they have to manage growth in new ways. “Before COVID, 3PLs [third-party logistics] were seen as primarily for large retailers with a lot of inventory,” says Iyer. Increased transit times, caused by increased deliveries during the pandemic, changed that: smaller retailers are turning to 3PLs for warehousing, fulfillment and distribution help.

**What does that mean for you?**

“A Canadian merchant may want to find a partner in the U.S., just as a U.S. retailer needs an option along the border to satisfy demand on either side of that fence.”



**Real-world application**

When the OVER Company started manufacturing and selling clothes for babies and new moms, the business took off fast. Within five years, e-commerce was strong: 200 retailers in Canada and the U.S. carried its products, the storefront welcomed steady foot traffic and the company’s annual event, The Modern Mom Show, was growing. Company owners Sabrina Maulucci and her husband, Michael, had just hired a sixth employee when lockdown orders were imposed.

In the space of days, the store closed, retail orders stopped and the event was cancelled. “Everything flashed before our eyes in March,” Maulucci says. “Like, what is happening, and how do we keep going?”

The retail store closed for six months, but online sales made up the difference – there were more sales in May than in any month in the company’s history. That turnaround required work. The Mauluccis added content to the website to make the customer experience even better. “We never had size guides, but we made them so you can measure yourself at home,” says Maulucci. Then they turned to social media. “We even connect with people who would never buy from us, because making real connections through social is important. From captions to customer responses, we became more intentional about every contact and everything we’re sharing.” **DTOW**



# HOW WE'RE INNOVATING AND INVESTING TO BECOME MORE SUSTAINABLE

Often in these pages, we highlight companies that embrace sustainability. We've written about retailers that are reducing packaging, building comprehensive recycling programs and creating innovative lines of green products, such as Matt & Nat and Abeego (pages 10 and 16).

But as a major delivery company operating one of Canada's largest last-mile delivery fleets – and your delivery partner – we know we too have a key role to play in addressing climate change. So, we would like to take some space in this issue to tell you about the sustainability initiatives we're pursuing that will not only help us build a better world, but also better serve Canadians and our valued customers like you.

From innovations to investments, here are five areas that we're focusing on right now:



## 1. Zero-emission and hybrid vehicles

We have been stepping up our initiatives aimed at greening our fleet. For instance, last year, we deployed 374 hybrid-electric vehicles across Canada, our largest purchase of alternative propulsion vehicles to date. Most of these replaced less efficient end-of-life cargo vans. We are also investing in zero-emission delivery vehicles, as well as testing a mix of zero-emission electric vehicles and equipment for a range of Canadian postal applications.

## 2. Renewable energy and energy efficiency

We are striving to ensure that our buildings operate efficiently, and are studying how to prepare our real estate portfolio for future carbon neutrality. Last year, we had two building projects certified under the Leadership in Energy and Environmental Design program. We have also undertaken a multi-year program of retrofitting our lighting systems to efficient LEDs, and have begun to produce on-site renewable energy at key facilities, such as solar walls that convert thermal energy from sunlight into heat.



### 3. Zero waste

When it comes to zero waste, we are working toward two important targets: to divert at least 90% (by weight) of non-hazardous operational waste by 2030 and 90% of all construction and demolition waste by 2030.



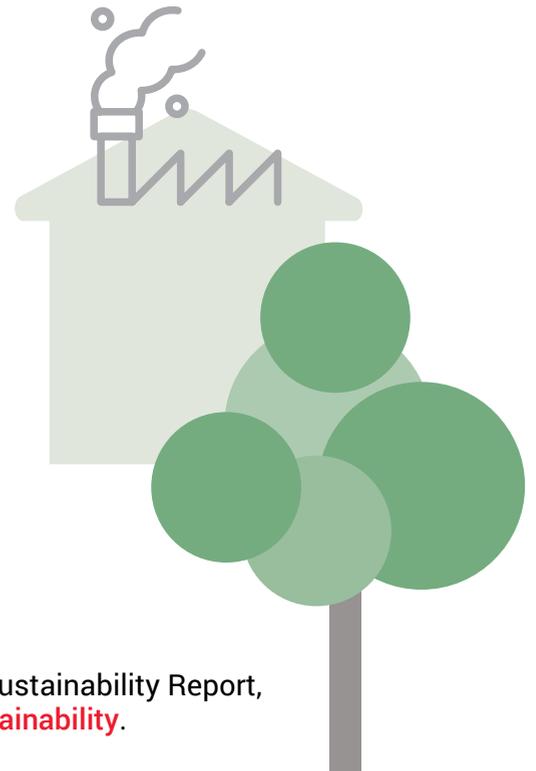
### 4. Recyclable materials

We have embarked on a journey to increase the sustainability of our packaging products. This initiative includes reducing excess plastic and employing more recyclable and recycled materials. For instance, we have increased the percentage of recycled content in our bubble mailers and replaced the plastic film from our flat rate boxes with a natural fibre paper band. We are also working on two new 100% recyclable paper-based padded mailers made from recycled materials, as an alternative to our plastic bubble mailers.



### 5. Climate risk

Our operations continue to be affected by severe weather and climate events, from devastating wildfires and floods to destructive hurricanes and record droughts. As scientists expect that extreme weather events will occur more frequently, we have started working with a consultant to assess the risks of climate change on our operations. This work will help us to holistically factor climate risk considerations into our operations and help ensure that we remain a valued delivery partner your business can rely on.



Learn more about our sustainability efforts in our Sustainability Report, which is available at [canadapost.ca/sustainability](https://canadapost.ca/sustainability).



# HOW TO FIGHT E-COMMERCE FRAUD



E-commerce transactions broke records at the height of the COVID-19 crisis and, months later, sales are still strong. And so is fraud.

According to the *2020 True Cost of Fraud Study* by LexisNexis Risk Solutions, “Retailers and e-commerce merchants need to be extra prepared for increased fraud attacks for the foreseeable future.” Here’s how.

## Know the warning signs

Scammers often look for high-value, high-demand items to resell. They use stolen credit card numbers to make purchases and they intercept legitimate deliveries. Here are warning signs:

- Multiple purchases of the same product.
- Multiple purchases made on different cards, but delivered to the same address.
- Multiple declined transactions – they could indicate someone trying to fraudulently guess passwords or other private information.

## Verify customers

Just because scammers got their hands on a credit card number, they may not have the billing address or the card verification code (CVC) associated with that stolen credit card.

Require the CVC for all transactions and make sure your payment processor includes an address verification service. It confirms that the address typed in matches the address of record for that credit card.

Be mindful of human error: sometimes legitimate customers type in the wrong address. AddressComplete™ can help with that. As your customers type an address, the program suggests results and auto-populates the fields. It saves your customers time and it reduces the chance of mistakes.

## Choose the right partners

Numerous companies offer fraud detection solutions. That can include automated workflows, with payment fraud checks and blocking of suspicious devices. Do your research to see if one could be right for you.

Canada Post’s Package Redirection service helps prevent fraudulent purchases from being delivered. While an item is in our system, including while it’s in transit, we can redirect it back to your store or distribution centre.

Parcel lockers also offer added security. To make the delivery experience better for your customers, Canada Post installed lockers across the country, giving access to over 1.5 million Canadians.

Visit [canadapost.ca](https://canadapost.ca) for details on these and other services.



## BRING THEM BACK WITH DIRECT MAIL



**Altitude Sports transformed from a brick-and-mortar store to a pure e-commerce retailer in 2011.** At first the Montréal-based seller of high-end technical clothing and gear used online marketing for all its acquisition and retention goals, but in 2016, it began sending mini-catalogues to less frequent shoppers in hopes of spurring them to buy. It then fine-tuned the strategy.

Ahead of Black Friday 2018, the company sent mini-catalogues to 160,000 customers who hadn't made a purchase for at least 120 days. Could the catalogue,

with its bold visuals and compelling product descriptions, entice those people to make a purchase? Yes.

A month after receiving the catalogues, 4.2 % of recipients made a purchase.

Those results were a revelation to Altitude Sports Co-CEO Maxime Dubois: "If you're putting your money into one channel, you're missing an opportunity," he said. "When looking at customer retention, people who know you and your brand react really well when you send them something special through the mail."

Explore more best-in-class direct mail marketing case studies at [canadapost.ca/INCITE](https://canadapost.ca/INCITE).

## HOW TO PUT CUSTOMERS FIRST ONLINE

With a TV show, magazine, recipe website and cafes, Ricardo has long been a leader in the Canadian food industry. So when it launched its e-store, it had to ensure the new offering was as successful.

By providing services that motivate purchases, the company has seen the average value of its online orders exceed average in-store purchases and its conversion rate increase 46% year over year. Its model could be a roadmap for your business to achieve similar results. What helps Ricardo drive sales?

- tracking, so customers can keep tabs on their items throughout the delivery process;
- flexible delivery and pickup options;



- a clear and simple returns policy, including a return label on request;
- free shipping on purchases over \$75 – this generated 553% more orders and 298% more sales.

Create your own e-commerce success story. Talk to an expert at [canadapost.ca/experthelp](https://canadapost.ca/experthelp).

# Q&A

with Hin Lai, Founder and CEO, Sidekick

Sidekick provides niche products to a select group: recovery tools for CrossFit athletes. Hin Lai launched the e-commerce business in 2015 and has doubled revenue every year since.

## CrossFit is intense. Why do you love it?

After a workout, you feel like you spent *all* your energy, like you put a ton of work in, and it's an accomplishment. I'm hooked.

## Can a passion become a business?

For a business to work, it needs three things: to be something you're passionate about, something you can be the best at and something you can make money from.

## Is CrossFit popular enough to do all that?

We always knew entering the U.S. market would be vital for success. Our research showed 13 times more CrossFit gyms in the U.S. than Canada. Nearly 7,000 there, and just over 500 here.

## How does a Canadian company gain traction in the U.S.?

We found a top-tier CrossFit athlete with 35,000 online followers. She would post about our product, and within minutes we saw a flood of sales. It was only a matter of keeping up with demand and building more relationships with additional influencers to grow our brand.

People often look for new strategies – what are the hot, new ways to market. But doubling down on our strategy, I'm confident it works. We sell in more than 50 countries now.

## The logistics of international sales can seem overwhelming...

Initially we worked with U.S. fulfillment partners to help us distribute in the U.S. However, two years into it, we realized we could do it much faster, more accurately and cheaper all from our warehouse in Edmonton, Alberta. The number of resources that can help with international shipping from Canada is growing every day. Over 65% of our revenue now comes from the U.S.

The big push for us this year is expanding into Europe and creating new products from scratch. *DTOW*



Winner of the 2019 Canada Post E-commerce Innovation Awards™, International Conqueror.

“For a business to work, it needs three things: to be something you're passionate about, something you can be the best at and something you can make money from.”

Hin Lai  
Founder and CEO,  
Sidekick

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