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**CMA Submission to the
Industrial Inquiry Commission
on Canada Post**

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Introduction and context

The Canadian Marketing Association (CMA) is the voice of Canada's marketing profession, representing corporate, public, and not-for-profit organizations across virtually all business sectors, marketing disciplines, channels, and technologies. We help our members maintain high standards of professional conduct through our Canadian Marketing Code of Ethics & Standards, compliance and best practices guides, and professional development initiatives.

We appreciate the Commission's consultation process and the opportunity to contribute our insights. The CMA offers a unique perspective on the importance of direct mail, the needs of Canadian organizations to meet the expectations of their customers, and Canada Post's vital role in serving organizations and consumers alike.

Canada Post's vital role

Canada Post is a cornerstone of the Canadian economy and society, offering unparalleled reach to every household and business nationwide. This comprehensive coverage is particularly valuable for organizations of all sizes that depend on direct mail marketing to engage their audiences effectively.

Direct Mail Marketing: A Powerful Tool

Research reveals a growing consumer preference for relevant information and ads. Direct mail remains one of the most impactful and cost-effective marketing channels, generating an average return on Investment of \$13 for every dollar spent—often outperforming digital channels. When integrated with digital campaigns through QR codes and personalized URLs, its impact is further amplified.

Direct mail marketing has a higher response rate than email and a respectable return on investment. It builds credibility that digital channels struggle to replicate, and is seen as secure, reliable and relevant. Almost half of Canadians consider direct mail to be the most believable form of advertising, surpassing both email and social media. Almost 70 per cent of Canadians believe that receiving physical mail is more personal and trustworthy than digital communication, and 56 per cent find direct mail more engaging than digital ads.

Personalized direct mail campaigns can increase response rates by up to 30 per cent compared to non-personalized mail. When direct mail is integrated with digital campaigns, response rates can increase by up to 63 per cent.

Eighty-seven per cent of Canadians read or glance at every piece of mail they receive, with 62 per cent checking their mailbox at least three times weekly.

The appeal of direct mail cuts across all demographic groups, including younger generations.

- Almost 90 per cent of millennials enjoy receiving and reading direct mail content, according to the US Postal Service. Millennials are the most likely of any generation to visit a brand's website after seeing a mailer, doing so roughly half the time. These U.S. findings align with Canadian trends. More than a third of Canadians under 30 check their mail daily and spend an average of 12 minutes engaging with their mail. Younger Canadians find addressed mail more trustworthy, with 42 per cent believing it is credible.
- More than 40 per cent of Canadian Baby Boomers are driven to action by print or direct mail promotions, which is the highest response rate among all media channels for this demographic. A study cited by PostcardMania reveals that 66 per cent of Canadians aged 56–74 feel positively about marketing mail.

Charities rely heavily on direct mail for fundraising and donor engagement. Some that have shifted entirely to digital marketing have experienced significant declines in contributions.

Canada Post offers unparalleled reach to every Canadian household and business, regardless of location. This comprehensive coverage is invaluable for nationwide campaigns, especially for reaching rural and remote communities that might be underserved by other media channels.

Economic Impact and Universal Service

The direct mail industry supports tens of thousands of jobs across various sectors, from print services and marketing professionals to distribution networks and Canada Post employees.

Canada Post's Universal Service Obligation extends beyond marketing, ensuring equitable access to communication and commerce for all Canadians and businesses, especially in rural and remote communities with limited and, in some cases, non-existent options. This service is crucial for delivering everything from standard consumer products to business supplies and specialized high-value items. By providing reliable and affordable delivery, Canada Post helps level the competitive landscape for SMEs and supports local economic development.

Environmental Considerations

The print and mail industry has long been implementing sustainable practices, including recycling, responsible forestry, and carbon footprint reduction initiatives. The CMA contributes to these efforts as the operator of Canada's Do Not Mail Service, allowing individuals to opt out of receiving unsolicited addressed marketing mail at no charge.

Canada Post has implemented environmental initiatives, such as incorporating electric vehicles into its fleet and offering sustainable packaging options, demonstrating a commitment to reducing its environmental impact.

A sustainable business model for the future

To compete effectively in today's challenging marketplace, Canada Post requires significantly more operational flexibility. This includes:

1. Removing legacy constraints to allow for agile adaptation of processes and workforce in response to changing mail volumes, regional needs, and digital integration opportunities.
2. Balancing labour obligations with economic sustainability and modern business practices. For example, current collective agreements limit Canada Post's ability to provide affordable weekend and evening delivery due to overtime pay requirements and restrictions on the use of part-time staff.

A more flexible model, similar to the retail sector where employees receive overtime for the total hours worked in a week, rather than automatic overtime for working weekend or evening shifts, would better align with the needs of Canadian consumers and organizations that rely on Canada Post services.

Canada Post has important responsibilities to its workers, but the delivery model must first and foremost be in step with the realities of our modern economy.

3. Exploring new service offerings, such as enhanced insurance and liability protection for valuable shipments.
4. Phasing in changes over several years to manage costs without immediate disruption.
5. Revisiting certain service standards, such as delivery frequency, while maintaining the Universal Service Obligation.

In conclusion

Canada Post plays an indispensable role in connecting Canadians and supporting businesses of all sizes. This supports local economic development and helps level the competitive landscape for SMEs.

Research shows that growing numbers of consumers want the information and ads that they receive to be relevant to their needs. Direct mail continues to be a trusted, high-performing medium for organizations to effectively reach and engage their audiences. Charities rely on direct mail for fundraising and donor engagement.

To thrive in the evolving landscape, Canada Post must modernize its business model, balancing operational flexibility with its essential service mandate. This transformation should aim to create a sustainable and innovative organization that adapts to the changing needs of Canadians while maintaining its core mission of connecting the country.

We look forward to collaborating with Canada Post to navigate these changes and ensure its continued success in serving Canadians and supporting the business community.

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About the Canadian Marketing Association (CMA)

The CMA is Canada's largest marketing association and the voice of the marketing profession. We are the catalyst to help Canada's marketers thrive today, while building the marketing mindset and environment of tomorrow. We represent virtually all of Canada's major business sectors, and all marketing disciplines, channels, and technologies.

Our purpose is to champion marketing's powerful impact. We provide opportunities for our members from coast-to-coast to develop professionally, to contribute to marketing thought leadership, to build strong networks, to meet consumer needs and provide meaningful, trust-building relationships with their customers, and to strengthen the regulatory climate for business success.

Our Chartered Marketer (CM) designation signifies that recipients are highly qualified, with the skills they need to help businesses grow and up to date with best-in-class modern marketing practices, including those reflected in the Canadian Marketing Code of Ethics and Standards and our Consumer Centre helps Canadians better understand their rights and obligations.