



The Future of the Flyer

The Never-Ending Debate

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CADDLE

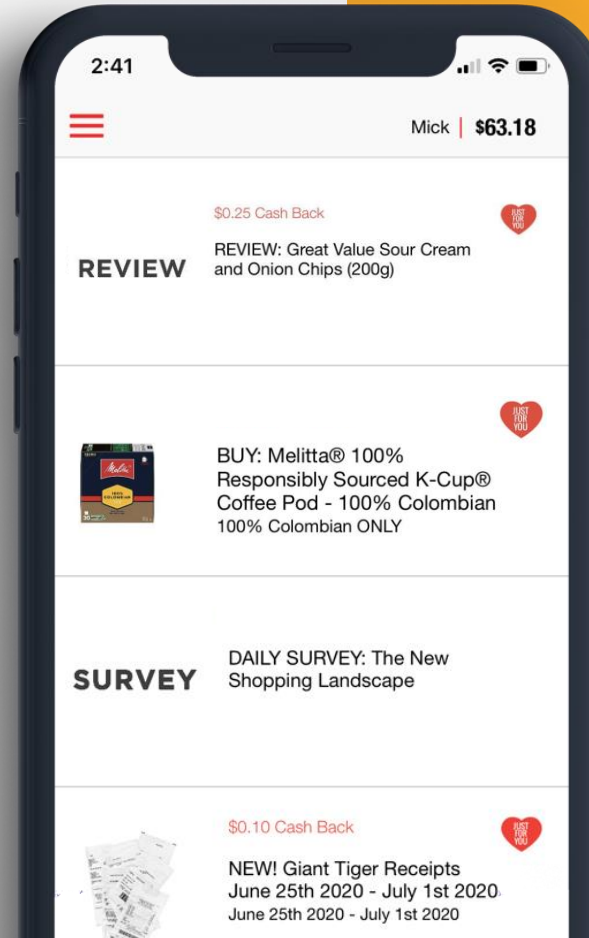


reebee

Make better decisions, faster, with access to rapid insights at every stage of the consumer journey

AskCaddle®

Caddle® is one of the largest, most diverse and daily active panel in the Canadian market. Our mobile-first insights platform rewards Canadians for sharing data and engaging with brands.

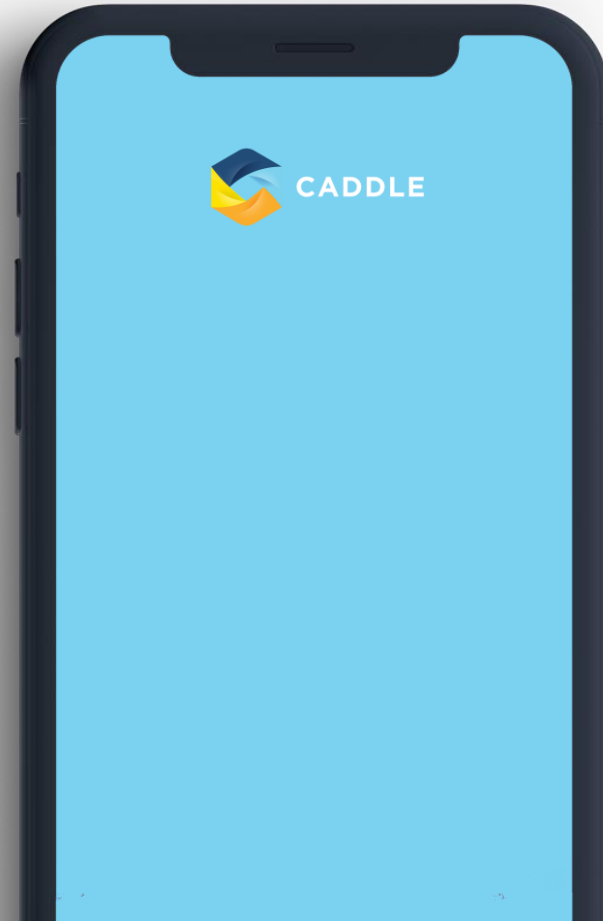


Methodology

A custom survey of Caddle panel members was conducted in August 2022 on the topic of Flyers.

The sample size was $n=3280$ and the data was weighted to reflect the Canadian Population by age, gender and region according to the most recent Statistics Canada population data

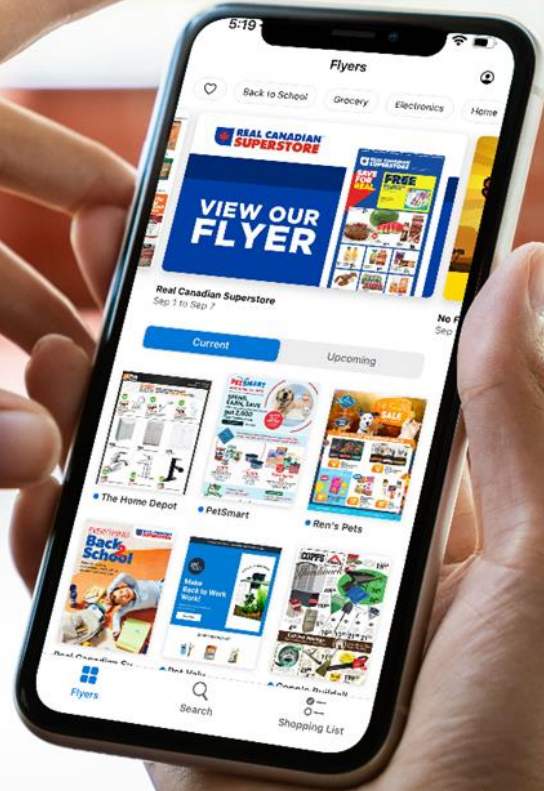
For comparison purposes only, a probability sample of this size would carry a margin of error of ± 1.7 percentage points, 19 times out of 20.





Canada's Digital-Flyer Marketplace

- ✓ 1,700,000 Active Users
- ✓ 8M Flyers Read Every Week
- ✓ 1 / 3 Canadian Households Use reebee or Flipp



Role of the Flyer

For Shoppers

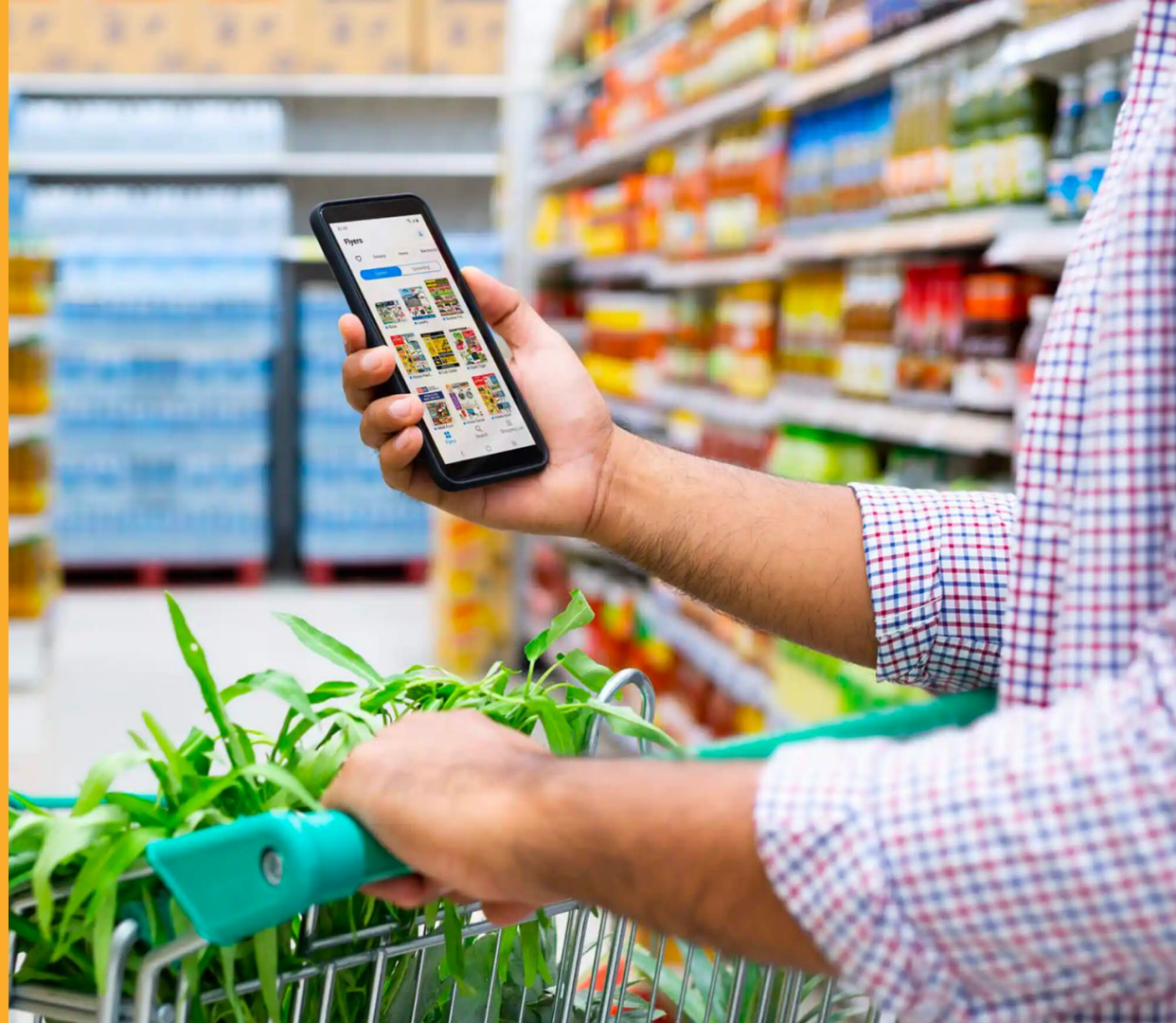
- ✓ Efficiently discover deals & savings
- ✓ Plan where to shop

For Retailers

- ✓ Communicate brand story
- ✓ Advertise price promotions
- ✓ Influence store traffic and drive sales



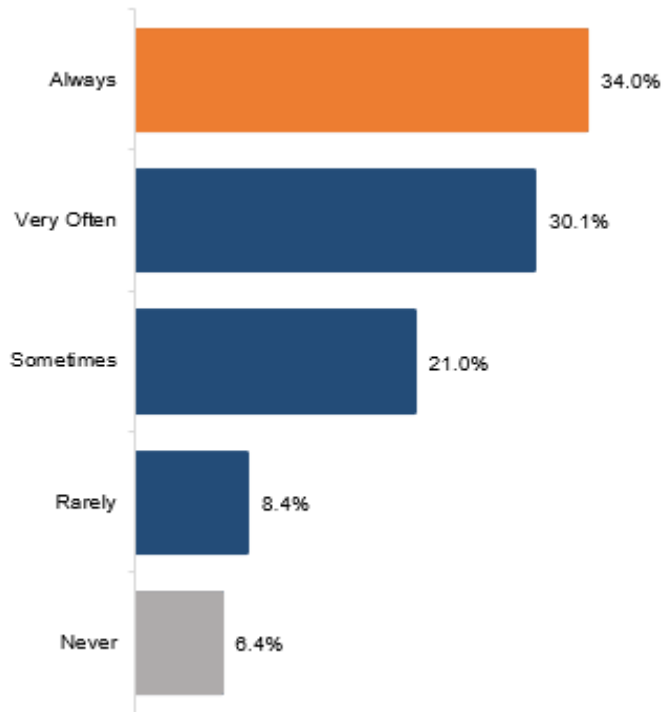
Study on the Future of Flyers



The core role of the flyers remains the same - drive traffic.

- Around 64% of Canadians use flyers to plan where to shop (T2B)
- 69% of Baby Boomers use flyers to plan where to shop (vs. 62% of Millennials)
- 68% of women compared to 60% of men use flyers to plan where to shop
- 76% in ATL Canada vs. 52% in BC

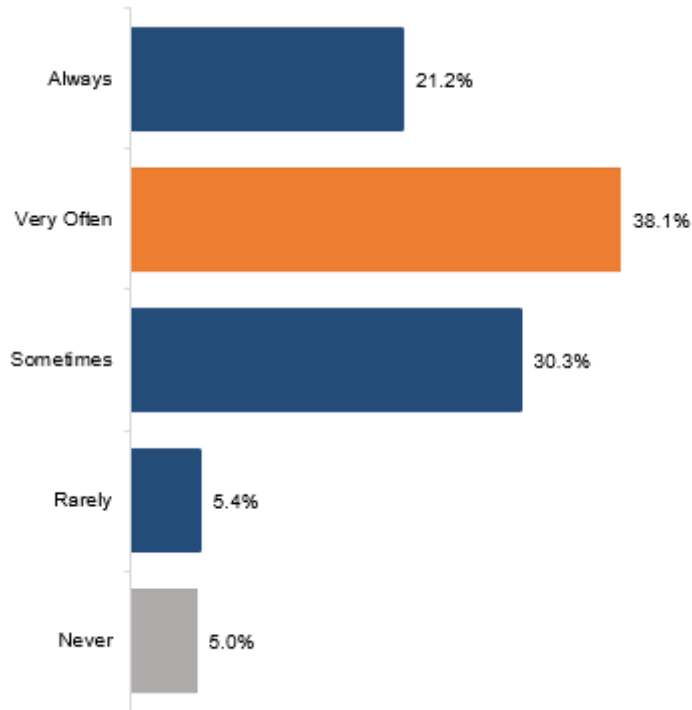
How often do you use store flyers to plan where to shop?



The core role of the flyers remains the same - drive revenue.

- ~60% of Canadians buy products after seeing them in-store flyers.
- 66% of women compared to 54% of men buy products after seeing them in store flyers.
- 70% of Atlantic population buy products after seeing them in store flyers.

How often do you buy products after seeing them in store flyers?



Shoppers Love Flyers



User growth continues on digital flyer platforms

Weekly Active Users have grown nearly 36% since 2019

Time Spent Reading the Flyer

Shoppers are spending an average of 23% more time reading flyers since 2019

App Sessions per User

Shoppers are using the reebee app 12% more frequently



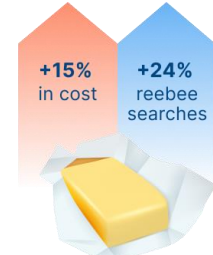
Inflation Leads to Specific Deal Shopping



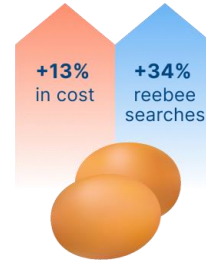
Lettuce



Bacon



Butter



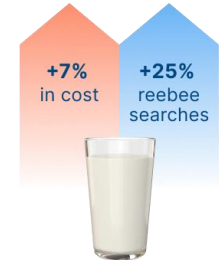
Eggs



Ground Beef



Dog Food



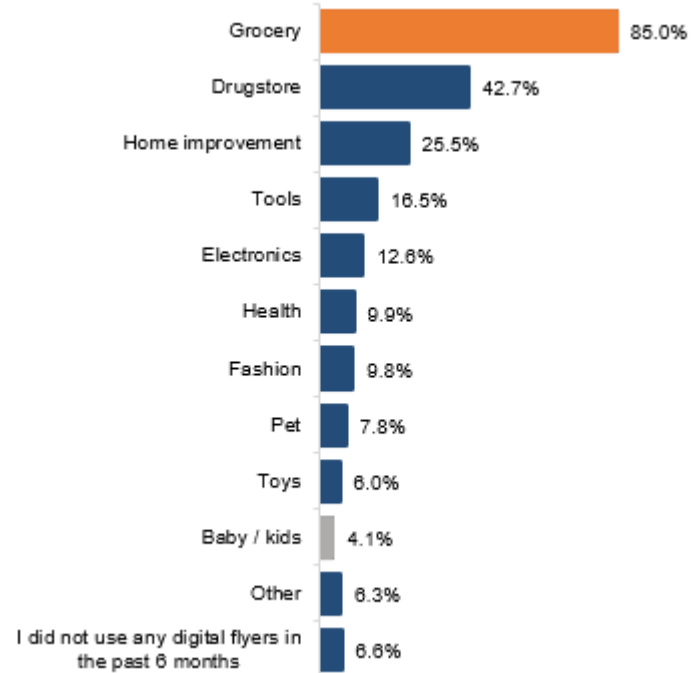
Milk

Digital store flyers have higher sales conversion vs Paper / Print flyers

- 55% of Canadians have used digital flyers from Grocery stores
- Grocery retailers have seen the highest conversion 92% in the past 6 months. Followed by drug stores at 72% & home improvement retailers at 55%

%Conversion = %Flyers used* 100 / %Flyers received

Which of the following type of store Digital flyers have you used in the past 6 months?



Paper Flyer have More Reach, but Digital Converts Better

Paper flyers (74% Reach)

Name of Store	% Received	%Used	%Sales Conversion
Grocery	90	72	80
Drug Store	66	37	57
Home Improvement	66	29	45

Digital Flyers (65% Reach)

Name of Store	% Received	% Used	% Sales Conversion
Grocery	92	85	92
Drug Store	59	42	72
Home Improvement	46	25	55

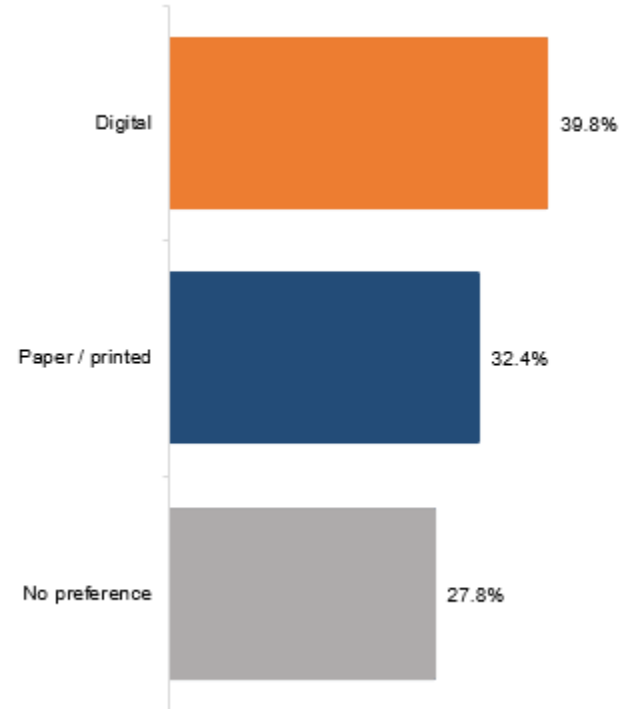
%Sales Conversion = %Flyers used* 100/%Flyers received

Clearly, the shoppers are making use of digital store flyers more than paper / print store flyers

The Role of The Digital Flyer (Today) vs Print

- ~40% of Canadians prefer digital store flyers while 32% of them prefer paper/printed store flyers
- 50% of Millennials compared to 31% of Boomers, prefer digital store flyers
- 35% of ATL Canada compared to 45% of BC, prefer digital store flyers

Do you prefer using Paper / Printed store flyers or Digital store Flyers?



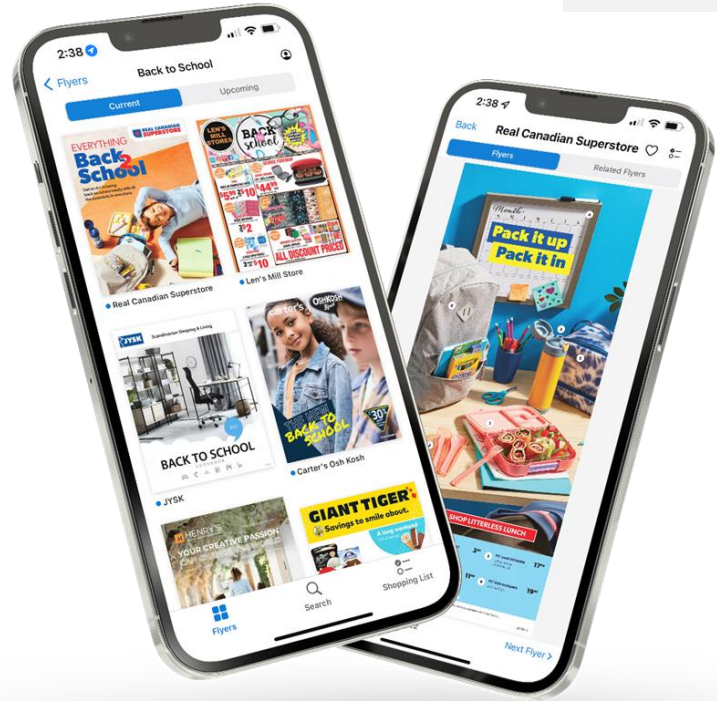
Digital Means Flexibility for Retailers

Total number of Campaigns

Retailers are running 11% more campaigns than they did two years ago

Average Number of Pages per Campaign

Retailers are adding more content to digital flyers and page counts have seen an increase of 7% over the last two years



Flyers Drive Traffic In-store & Online

Average In-store
Conversion Rates: **20%**

Average Click-through
Rates: **4%**





Product | Category Insights

See what products and categories are performing best in your flyers

Store Visit Insights

Understand what the entire customer journey looks like from flyer read to store visit

Share of Voice

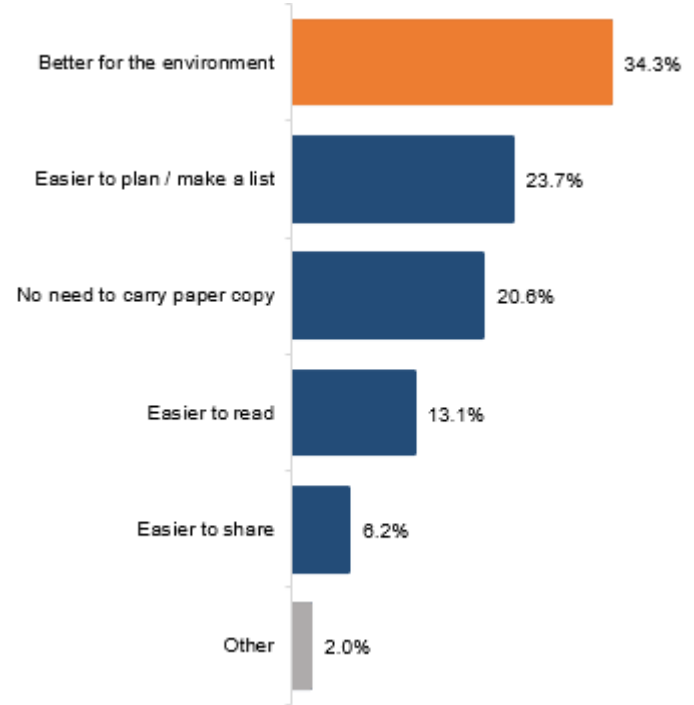
Understand how your flyer is performing vs category competitors



Digital flyers are also preferred because they are better for the environment

- 1 in 3 digital flyer users in Canada, uses digital store flyers for a better environment
- Nearly half (46%) of British Columbia's population uses digital store flyers for a better environment

What is the main reason why you prefer using Digital store Flyers?



Stages of Digital Flyer Adoption



Stage 1 Print Flyer #1 priority

✓ Digital flyer mirror of printed version

✓ Low priority on digital strategy and execution



Stage 2 Testing

✓ Redesign experience for digital
✓ Attribution testing, market mix modeling

✓ Digital exclusive offers



Stage 3 Optimizing Distribution

✓ Providing flyers to customers in the format that they want

✓ Converting print readers to digital



Stage 4 Digital-first mindset

✓ 360 degree approach to supporting the flyer

✓ Personalization



Short Term Recommendations

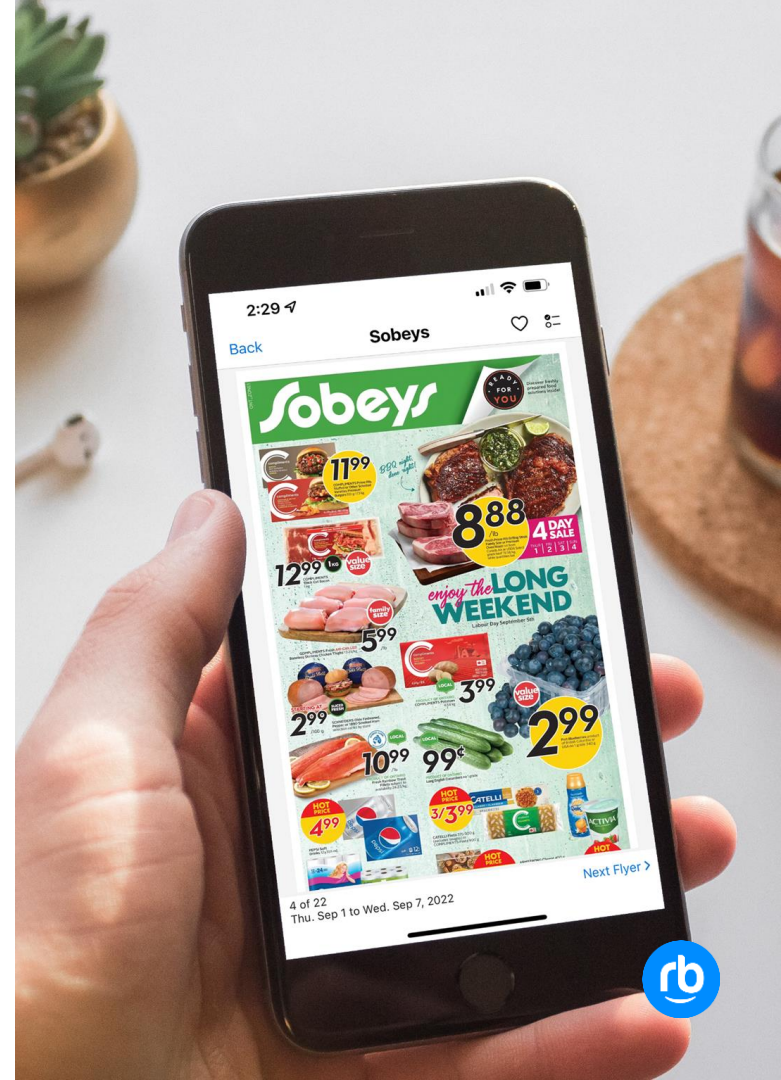
Stage 1 & 2

Content

- ✓ Focus on great deals and private label to drive value and options for shoppers as prices to continue to increase
- ✓ Promote Loyalty Programs

Format

- ✓ Support online traffic with links & buttons
- ✓ Capitalize on search



Optimize digital flyers to capitalize on search | Consideration is key

Consideration through specific search has increased by 6%

1

Include Brand Names and the specific product name on all items



Dish Soap



Dawn Dish Soap



Dawn

2

Include one title and price per clickable item



Apples, Limes
and Pineapples
\$1-\$3/lb



Apples
\$1.99/lb

3

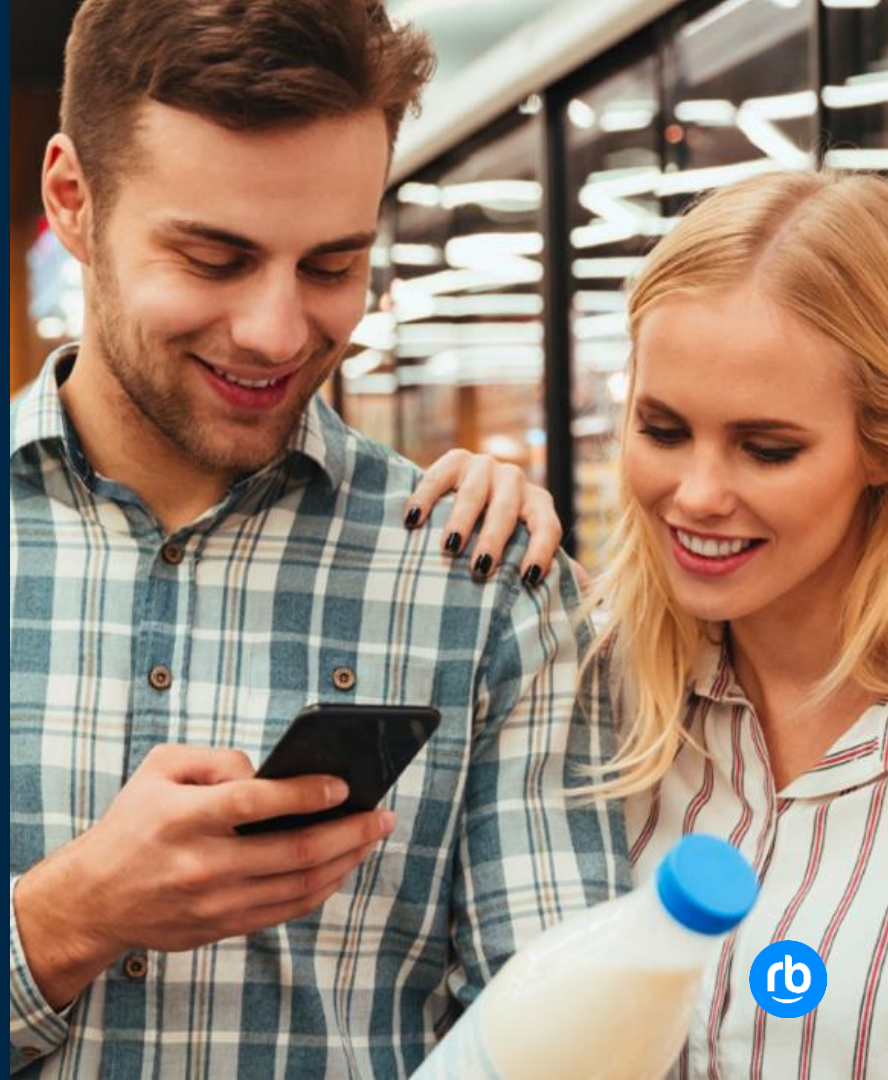
Include titles in English and French



Beatrice Chocolate Milk
Lait Chocolat Beatrice



Blueprint For Converting Print Readers to Digital



Blueprint For Converting Print Readers to Digital



Step 1 Education

- ✓ Create a plan of how to educate consumers of added value in digital
- ✓ Leverage all available avenues to educate consumers - In-store education is key



Step 2 Measuring Sales-Impact

- ✓ Understand impact of a digital flyer through sales lift of digital exclusive offers
- ✓ Reduce risk from team's perspective before removing any print flyers



Step 3 Print Reduction Testing

- ✓ Reduce print volumes slowly and measure impact
- ✓ Educate customers on upcoming print black out
- ✓ Understand that some markets may not be ready for print removal



Step 4 Think Digital-First

- ✓ Design
- ✓ Content
- ✓ Strategy



Takeaways

Flyers are More Important Than Ever

More than 1 in 3 Canadian households uses digital flyers

Inflation driving pressure for Canadians to save any way they can

Flyer Preferences are Shifting to Digital & Interaction is Different

40% of Canadian shoppers prefer digital flyer, higher amongst Western Canada and Millennials

Paper is critical in pockets of Canada - hybrid approach (eg. ATL vs. BC)

Digital Flyer Adoption Levels Still Just Scratching the Surface

Most retailers are in Stage 1 and 2 of adoption - a big opportunity for retailers to win disproportionately with young Canadians

Crawl, walk, run



Let's talk insights.

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