

INSIGHTS REPORT



IMPACT, GROWTH & CHANGE IN OOH

August 2024

Introduction

Happy 2024! We are comfortably in the new year, digging our heels into what 2024 may look like from a business lens. We can reflect on 2023 proudly, knowing we have accomplished objectives that evidently support the Canadian out-of-home landscape. The year of Barbie comes to a close - so what's next? Who will make a big splash in the marketing space? What are consumers prioritizing, and where does out-of-home fit in?

In this Insights Report, we delve deeper into e-commerce and its integrated strategies, particularly focusing on Buy Online, Return in Store (BORIS), shedding light on the contrasting journey to purchase, coined as the 'road to return' by COMMB. We reveal the importance of this e-commerce and brick-and-mortar marriage to buyers and sellers alike, what businesses have integrated this strategy and how attractive it is to consumers as an offering. With many businesses charging for returns and the hassle of returning an item to an e-commerce warehouse, consumers are often swayed by online return policies, putting a stent in their consideration to purchase. Focusing on the 'road to return' showcases the mindset of individuals going to return an item and their exposure to OOH along the way. Additionally, we discuss the importance of personalized content for consumers - how to connect with audiences on a deeper level - one that resonates with them and in-turn, influences them to consider your brand. We discuss how OOH can deliver a personalized experience through campaign planning and retargeting strategies.

To wrap up the report, we highlight the significant number of newcomers to Canada in our Audience Spotlight, one of the highest immigration rates per population of any country in the world. We are profiling them, revealing who they are, which countries they are coming from, and discussing our next project in partnership with Environics Analytics (EA) on this timely topic. If you want to know more about audiences and how to target them, view our brand new [Ads that Speak to Generations](#) piece which discusses strategies to reach specific generations, what resonates with them from an advertising perspective and more.

We are certain this Insights Report will shed light on new opportunities within the Canadian OOH space. Canadians are out and about more than ever, and we are continuing to witness a steady increase of Canadians noticing our beloved OOH media. Here's to 2025!

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The Consumers' Road to Return

E-commerce returns are on-the-rise

Online shopping - easy and convenient - **if** you are satisfied with your purchase. During the pandemic, the ability to make purchases at the click of a button without having to leave the comfort of your home was deemed a necessity. Perhaps, the ease of online purchasing became a habit for Canadians - as the sense of repercussions for purchasing an item online doesn't truly exist until the item shows up at your door and it's not what you expected, the colour isn't accurate or it doesn't fit like you were hoping. Convenience that comes with a price, shopping online is not always a fail-proof experience. In fact, 72% of Canadians agree you have to be careful of the quality of the items you buy online (Source: Vividata SCC | Study of the Canadian Consumer Winter 2024). If the item you receive isn't what you were expecting, you may feel stuck with an item you don't want or need, and the arduous task of returning an item can not only be tedious, but also expensive. The days of free returns are slowly leaving our fingertips as retailers update their policies to manage costs surrounding returns. According to a study by [RetailBrew](#), 66% of retailers reported that they now charge for returns. No more free returns, means people will have to think twice about their online purchases... or will they?

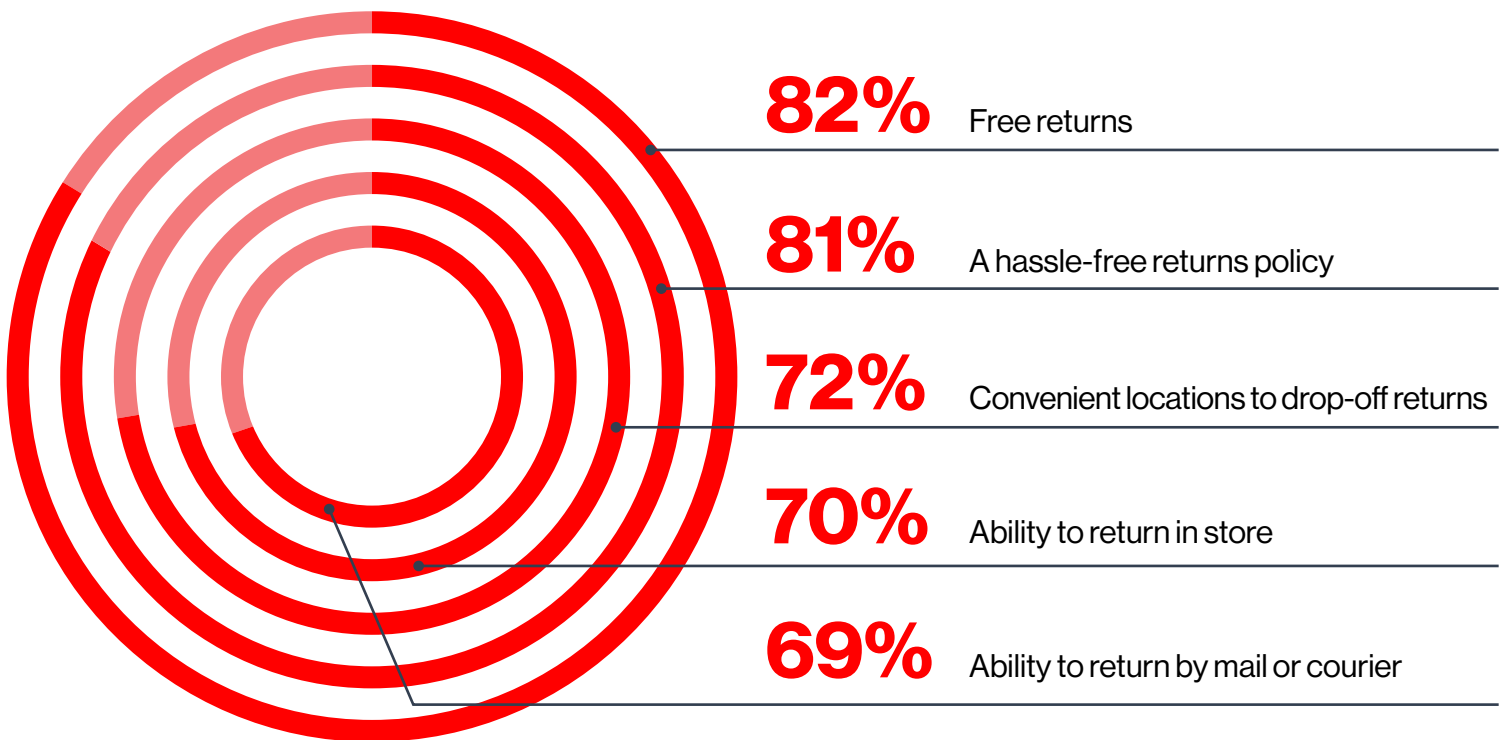


What do Canadian shoppers desire?

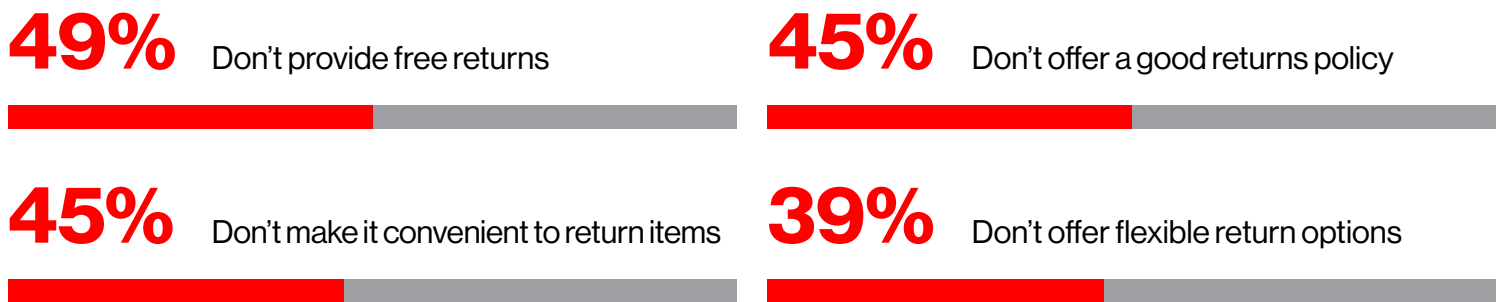
The buyer's journey goes beyond the initial purchase - in both directions. We tend to think of the purchasing journey from the time of ad exposure, to the time of purchase. Customers' satisfaction with their product could be the most powerful portion of the customer's journey. Do they like the product they purchased? How did they like their experience with the brand? Will they return? Will they share their experience with friends and family? There are many parts of the journey that may sway an opinion of a customer. Additionally, the return policies can make or break the sale, and can affect the consideration of the purchase of the product as a whole.

Returns can make or break the sale

Canadian online shoppers are more likely to purchase from retailers that offer:



Canadian online shoppers avoid repeat purchases from retailers that:



Source: [Canada Post: Cracking the Code on E-commerce Returns, 2022](#)

TOP 10 Return Pain Points

- 01** Paying for return shipping **(43%)**
- 02** Traveling to the carrier drop-off point to ship the item back **(28%)**
- 03** Printing a return label at home **(24%)**
- 04** Not having the option to return in store **(23%)**
- 05** Not receiving the refund in a timely manner **(22%)**
- 06** Finding and/or purchasing packaging for the item **(19%)**
- 07** Lack of communication and visibility related to return **(18%)**
- 08** Not being notified when return is received by seller **(18%)**
- 09** Submitting a return request **(14%)**
- 10** Waiting in line at the carrier's location to ship the return **(13%)**

Source: Canada Post: Cracking the Code on E-commerce Returns, 2022

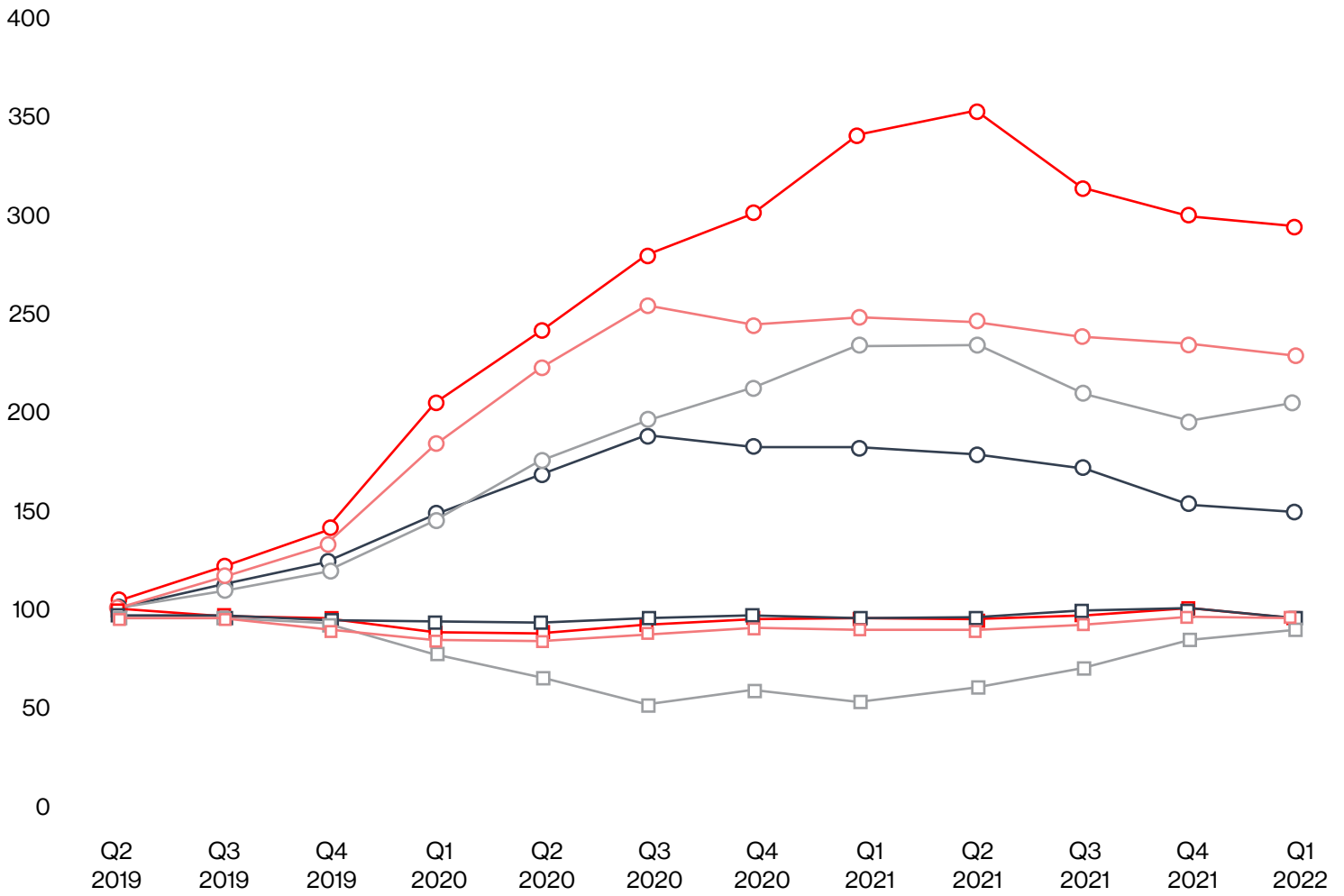
With 70% of Canadians stating that they are more likely to purchase a product from a retailer that allows in-store returns, and 23% of Canadians stating that not having the option to return in-store is a pain point for them, retailers are creating and updating return policies in order to appease Canadian shoppers.

The Surgency of BORIS (buy-online, return in-store)

Buy-online, return in-store has become an increasingly implemented omnichannel strategy among retailers as of 2023. Although this strategy has been around for as long as e-commerce, the popularity in this omnichannel strategy has increased for retailers. We can chalk this up to the massive influx of online purchases in 2020 when Canadians were told to stay indoors as much as possible, with non-essential e-commerce businesses being closed down.

Indexed retail e-commerce sales vs. in-store sales, selected subsectors

Index (Q1 2019 - 100)



E-commerce

- Furniture and home furnishings stores
- Electronics and appliance stores
- Clothing and clothing accessories stores
- Furniture and home furnishings stores

In-store

- Furniture and home furnishings stores
- Electronics and appliance stores
- Clothing and clothing accessories stores
- Furniture and home furnishings stores

Note: Data in this chart are centered quarterly moving averages

Source: Statistics Canada, Monthly Retail Trade Survey

Now, retailers are simply trying to get a hold of the volume of returns and understand how to appeal to consumers. This rise of online purchases means retailers are having to consider new options to cut costs, while also keeping a good relationship with their customers and increasing customer retention.

With 1 in 3 items that were purchased online being returned in-store according to Canada Post, BORIS is here to stay, which means now we can study the mindset of consumers on the way to return an item. What does the 'road to return' look like?

Where OOH comes in

Knowing that Canadians are headed into stores with a mindset of returning an item, this provides an incredible opportunity for brand marketers to take advantage of the impactfulness of the OOH medium. We often talk about the path to purchase: from home to brick-and-mortar location, and the mindset of shoppers. But with the BORIS strategy becoming an essential for retailers, the Road to Return is a reimagined consumer path, and it provides advertisers an opportunity to reach audiences in a new way.

Why advertise to this audience?

The mindset of someone returning an item to a brick-and-mortar location is intriguing, especially due to the fact that **85% of these specific BORIS return visits resulted in additional in-store purchase**. Ever return an item and think "Hey! Free money!". The truth is, a lot of people do! Returning an item isn't a satisfying shopping experience, but receiving money back that was already considered gone from your wallet naturally feels like that money should be spent on something else.

Retailers that have implemented the BORIS strategy are not only building a more positive experience for their consumers (customer satisfaction ratings increased by 20% after implementing BORIS), but **BORIS customers also showed a 30% higher average spend on in-store products compared to non-BORIS customers.**

BORIS customers also showed a **30% higher average spend** on in-store products

Audiences that are about to use the BORIS strategy are already in the mindset to spend their money from the return elsewhere. Advertisers and brand marketers have the capability to target this audience with OOH assists and aid in the decision-making regarding the next product purchased when it comes to the product they could buy, on the way to the brick-and-mortar location. The idea of going into a shop and returning an item and simply heading home is an unsatisfying experience - put your product right front and centre with OOH at the right place, at the right time, and influence audiences to consider your product for their next purchase.

Brick-and-mortar locations don't have to offer BORIS as a strategy to reach this impressionable audience. Advertising on OOH with the proper messaging can communicate to audiences returning items and wanting to fulfill that purchasing desire again.

Another creative strategy could consist of calling out the person's experience with the product they're returning, such as calling out if they are unsatisfied with a product they have purchased, or calling out the return process as a whole.

BORIS is becoming a necessity with a significant influx of items being returned, and leveraging the e-commerce and physical brick-and-mortar experience in tandem is an excellent way to influence consumers to purchase items. With 66% of Canadians stating that they prefer to touch a product before purchasing, and 54% of Canadians stating they enjoy shopping online because there is plenty of choice (Source: Vividata SCC | Study of the Canadian Consumer Winter 2024) offering a BORIS strategy appeases both types of audiences. The popularity of the BORIS strategy means even more of a reason to utilize OOH. Reach audiences in an impressionable state of mind by advertising your product in a big, bold way.

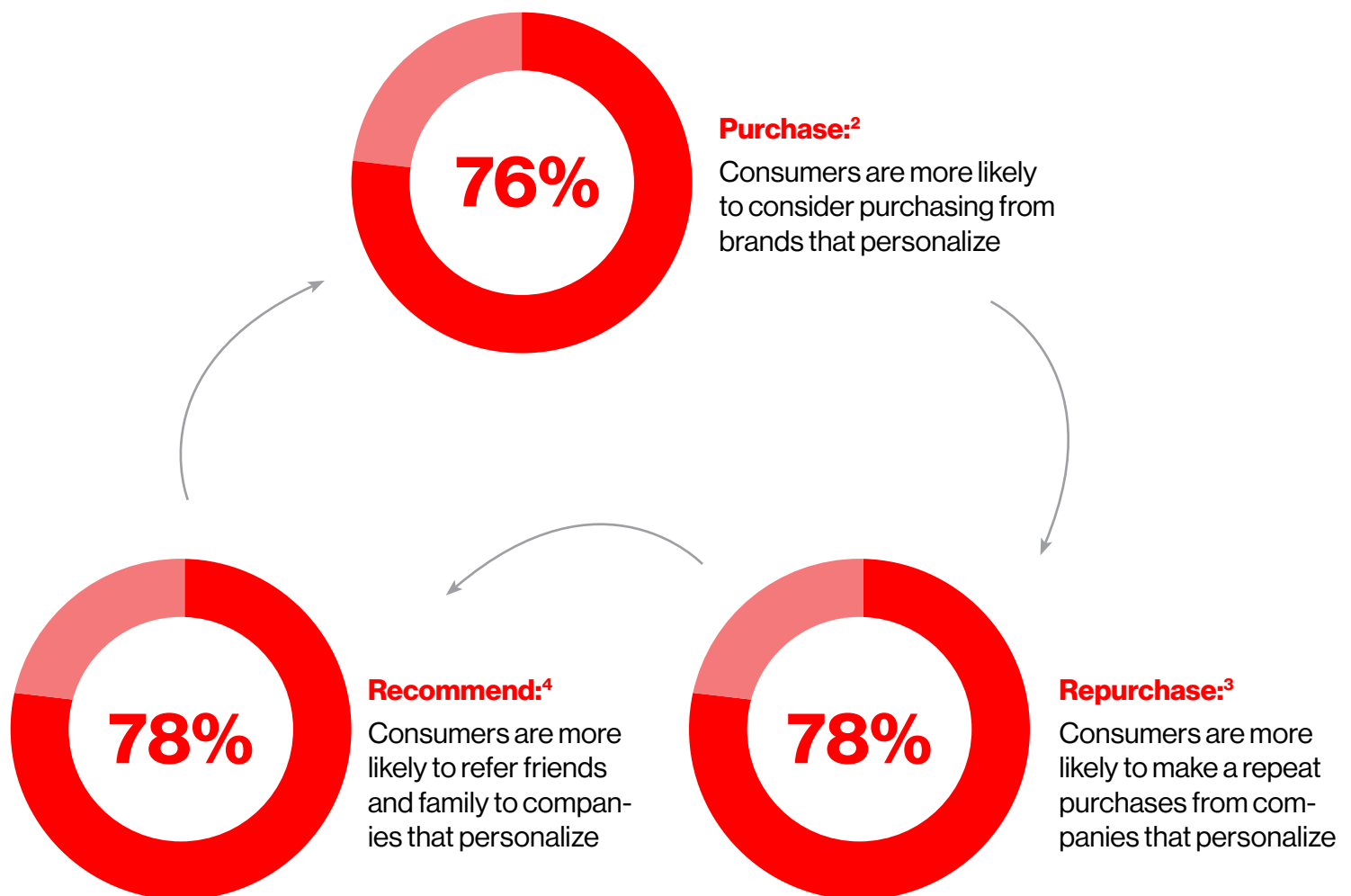
The Importance of Personalized Content

Advertising is all around us. We are exposed to hundreds of ads a day. As marketers, the type of strategy we choose to reach audiences is imperative for a successful campaign. With such noise in the market, we must identify what resonates with audiences. How do we reach them in an impactful way that inevitably pushes them through the sales funnel? Two words: **personalized content**.

In a 2020 study by Forbes, findings suggested 91% of consumers are more likely to shop with brands that provide offers and recommendations that are relevant to them. When we consider the amount of ads we are exposed to daily, this makes sense. Providing a tailored message that resonates with a specific audience is sure to cut through the noise of other advertisers, and give consumers a sense of connection to a brand.

Personalization directly influences buying behavior across the customer life cycle

Likelihood to purchase, recommend, and repurchase depending on personalization, % of respondents¹



Source: McKinsey Personalization Report November 12, 2021

What is 'personalizing' a campaign?



Audiences are key. Personalizing your brand's campaign starts with understanding your primary audiences: what their interests are, where they're from and what they value. Conducting in-market surveys will help brands identify audiences that they may not otherwise market to. This is extremely valuable information to hold as a business. Truly knowing who your audience is, not assuming who they are, is powerful. Once you have a deeper understanding of your audience, you're able to speak directly to them with personalized campaigns. Use COMMB's [Ads that Speak to Generations guide](#) to understand what types of advertisements resonate with different audiences and generations.

OOH can act as a conversation starter to the audiences you're hoping to reach. Whether it's people commuting to work, people taking transit, people enjoying a meal at a restobar or people at the airport - OOH opens up an opportunity to speak directly to an audience, and influence them to take action.

How to lean into personalized content in the OOH space

Advertising is advertising - although objectives vary, the core of the objectives ring true. We want our business to thrive, and in order to thrive, we need to advertise. As OOH is a one-to-many media, the mass exposure provides a likelihood to reach those objectives. What's unique about OOH is the capability to both advertise to a mass audience, as well as advertise to a specific audience - without losing out on either. All while giving brands an option on what type of OOH they want to utilize to reach these audiences. This puts OOH in an elevated place - providing both strategies to brand marketers seamlessly.

Knowing that audiences are also longing for personalized messaging - how can OOH lean into this strategy more than ever to give the consumer what they need?



How does it work?

Mobile location data is captured for devices passing a board. Each device that passes by a board has a “home origin”. The home origin is determined by how long the device rests at certain times of the day for an extended period. Once each device has an acknowledged home origin, the “audience characteristics” for the specific postal code the home resides are determined by matching the Postal Code with StatsCan data, and COMMB’s other audience data from Vividata & Manifold, to provide data insights associated with that board.

Allowing COMMB members to utilize this data for specific audience targeting makes for even more successful campaigns with ease. [Contact us](#) for more information on how to become a COMMB member to access ROADMAP.

Allowing COMMB members to utilize this data for specific audience targeting makes for even more successful campaigns with ease

The power of digital Programmatic Retargeting

Retargeting, or remarketing, has been a successful strategy for marketers to integrate into their marketing plans for decades - but historically as an online strategy. People often consider out-of-home advertising as a traditional, and with that comes a stigma that OOH has not modernized. The truth is, OOH has evolved incredibly since the 1800s, and although it was one of the first forms of advertising to become an essential for brands, that does not mean that it hasn’t substantially grown from both a modernization perspective, and an accessibility perspective with thousands of OOH placements across the country. With this growth, comes capabilities, and that’s where we see retargeting.

To learn more about capabilities in personalizing OOH content, COMMB and Broadsign’s co-authored piece ‘Getting Personal with OOH’ will be released in H2 2024 with insights from big brands on personalized content, technology advancements in real-time programmatic strategies, and beyond!

Audience Spotlight:

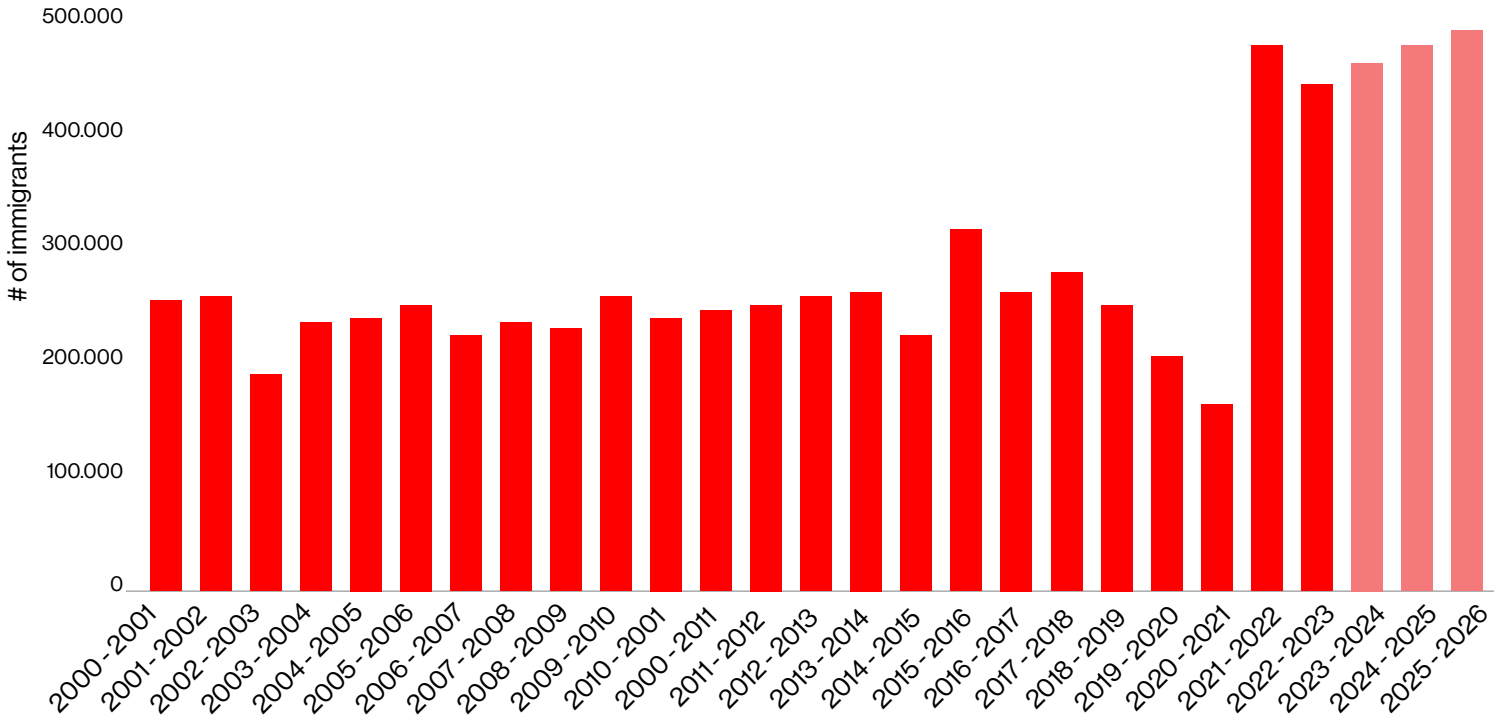
Newcomers to Canada

According to Statista, as of 2023, there were more than eight million immigrants with permanent residence living in Canada - roughly 20 percent of the total Canadian population. This is one of the highest rates per population in the world, so it's crucial to highlight this particular audience segment in this edition of the Insights Report.

We know how impactful [catering your campaign to specific audiences](#) can be, and this audience provides another opportunity for brand marketers and advertisers to reach a new audience that may otherwise have been untapped.

Newcomers to Canada are highly mobile (large transit users), they are diverse and community-oriented. They are often adaptable and open-minded coming to a new country, curious to learn about new products and services that Canada has to offer.

Newcomers to Canada: immigration to Canada from 2000 - 2023, planned for 2024 - 2026

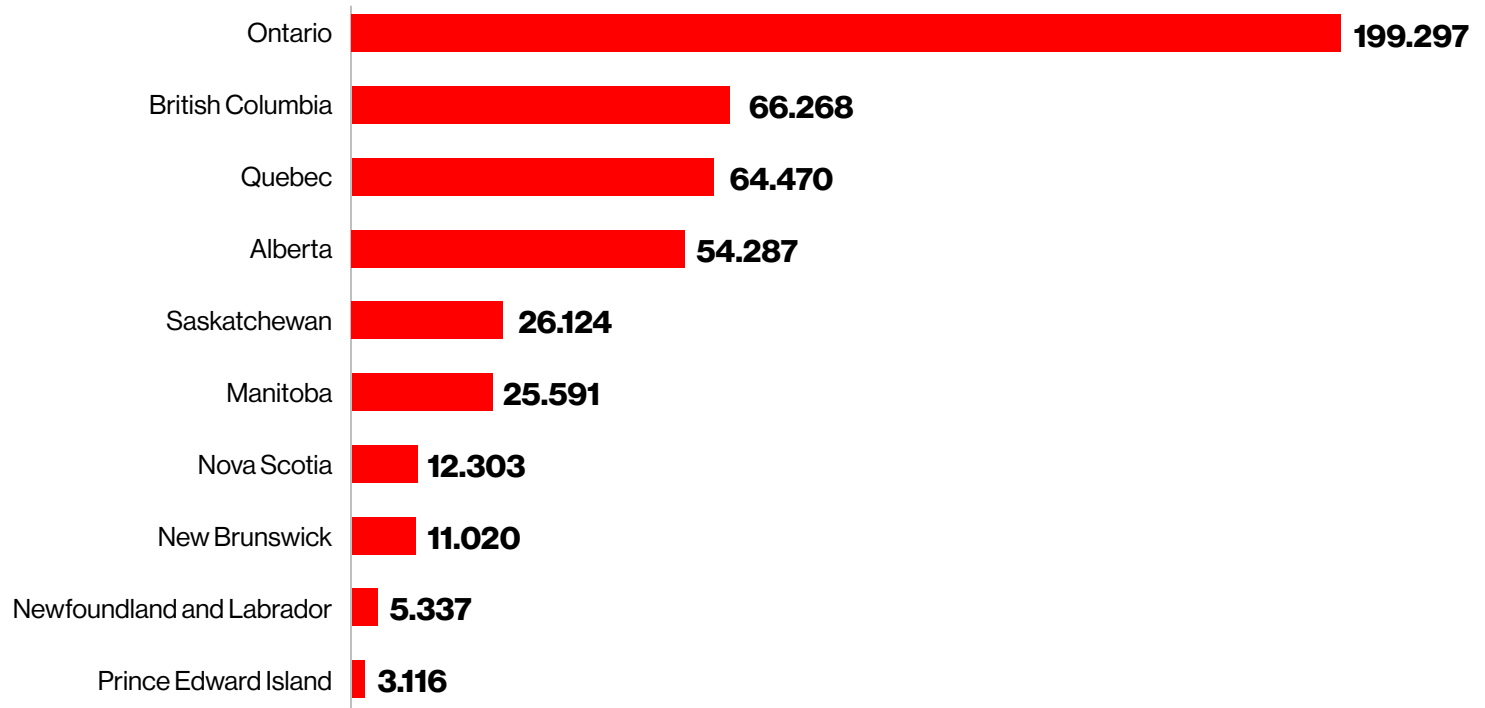


[Statista, "Number of immigrants in Canada from 2000 to 2023"](#)

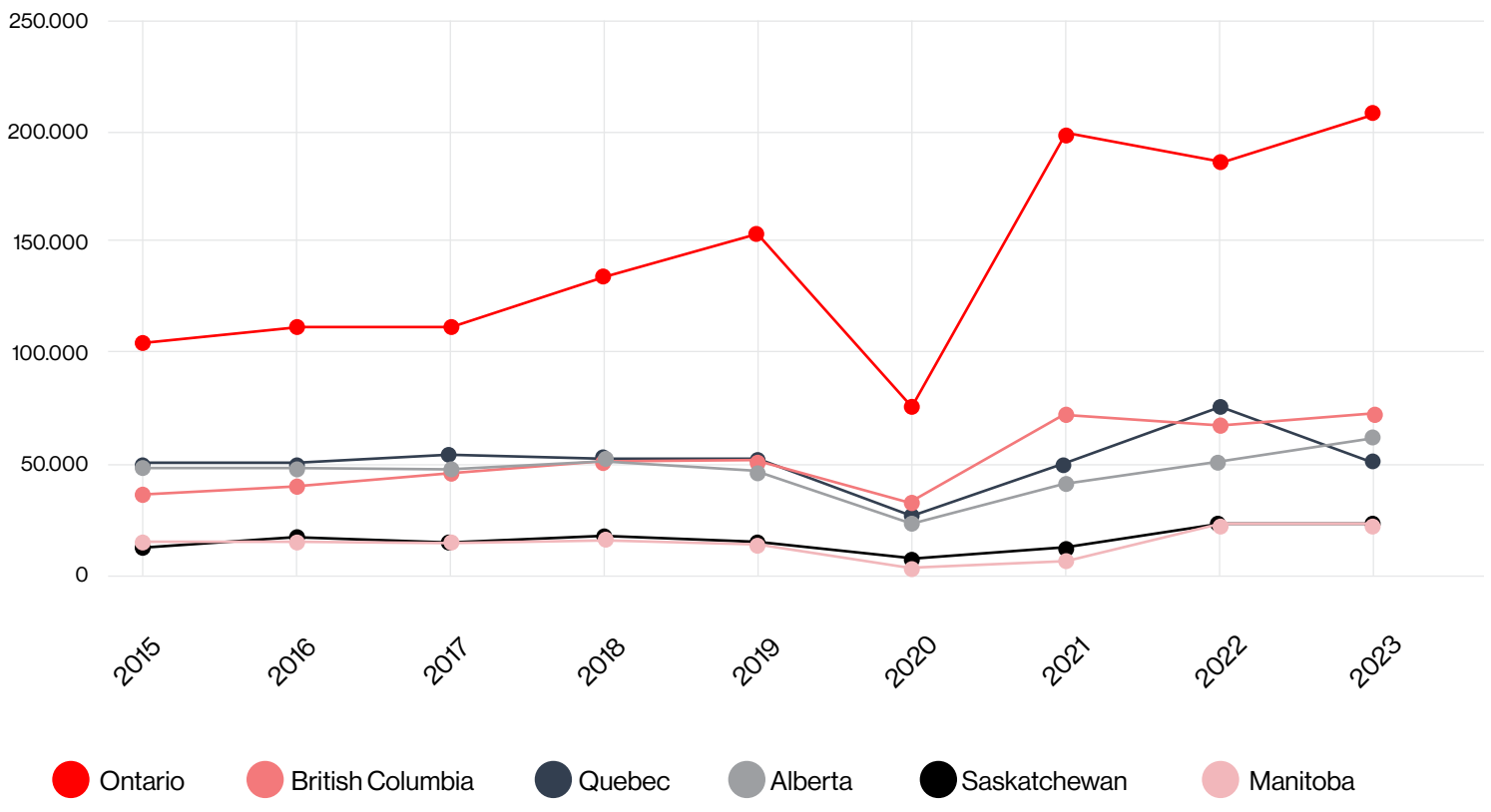
In the above chart, we can see that the immigration has increased drastically over the years, with 2021 through to 2023 having the highest influx of newcomers to Canada since 2000. Based off of this chart, we can see that there will continue to be an upward trend in newcomers to the country, making this audience ideal for advertisers to target with their campaign messaging.

Who are they?

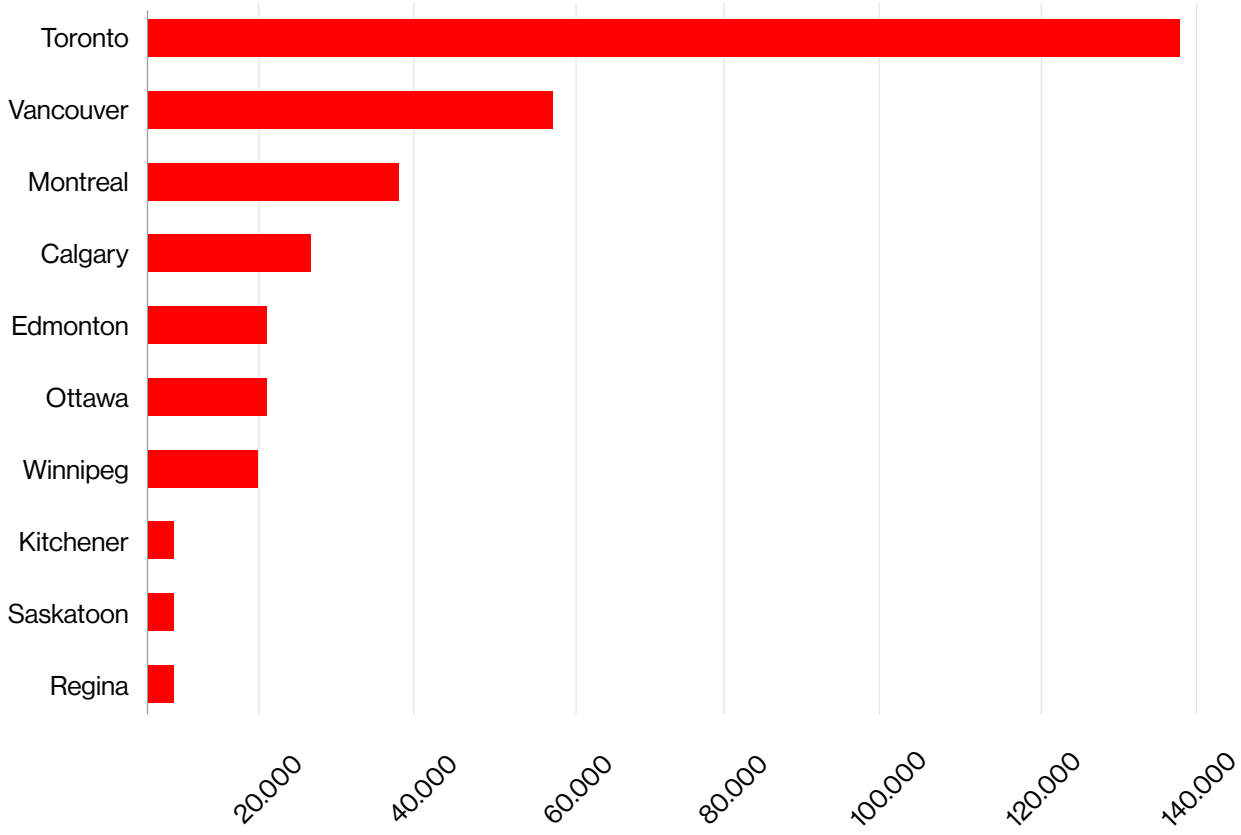
2023 immigrants by province and immigration category



Provincial immigration 2015-2023



Top cities for new PRs 2023

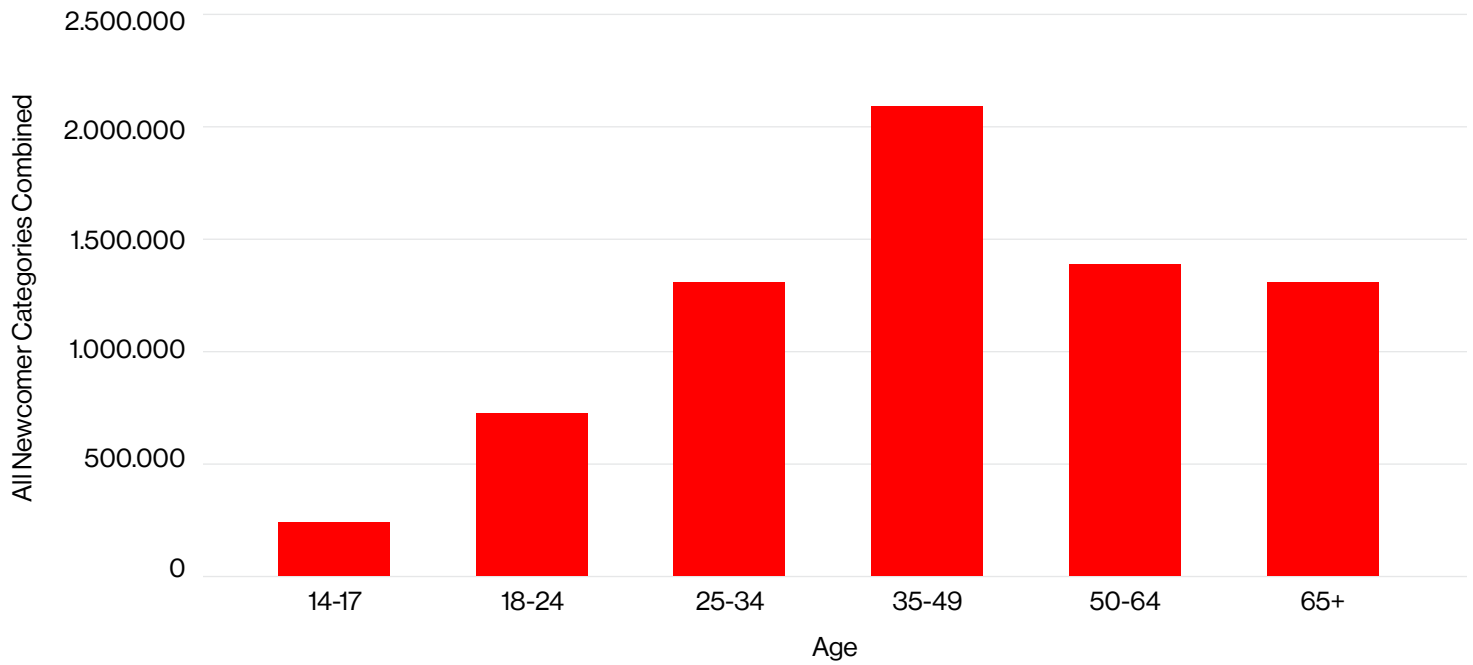


Top source countries of Canadian immigrants



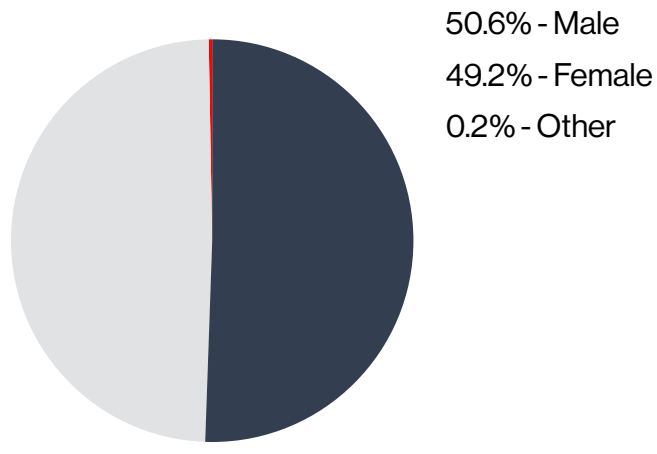
Ontario leads the way for seeing the highest influx of newcomers by a landslide in 2023 (199,297), specifically in Toronto being a higher destination for this audience. Vancouver is the second highest city for new immigrants, however, in this instance it does not compete with Toronto's nearly 140,000 new immigrants as of 2023. Understanding this audience and where they are immigrating from is important when building influential campaigns that resonate with this type of audience. India is the top source country for new immigrants with, according to Forbes, 139,715 Indian citizens becoming permanent residents of Canada.

All Newcomer Categories Combined vs. Age

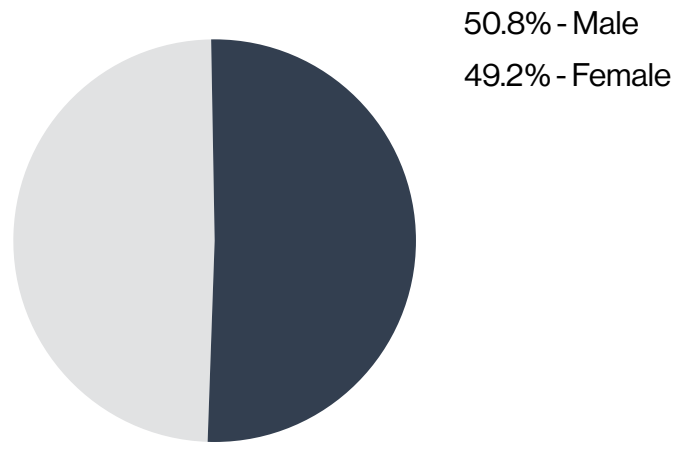


Source: Vividata Spring 2024

All Newcomers - By Current Gender

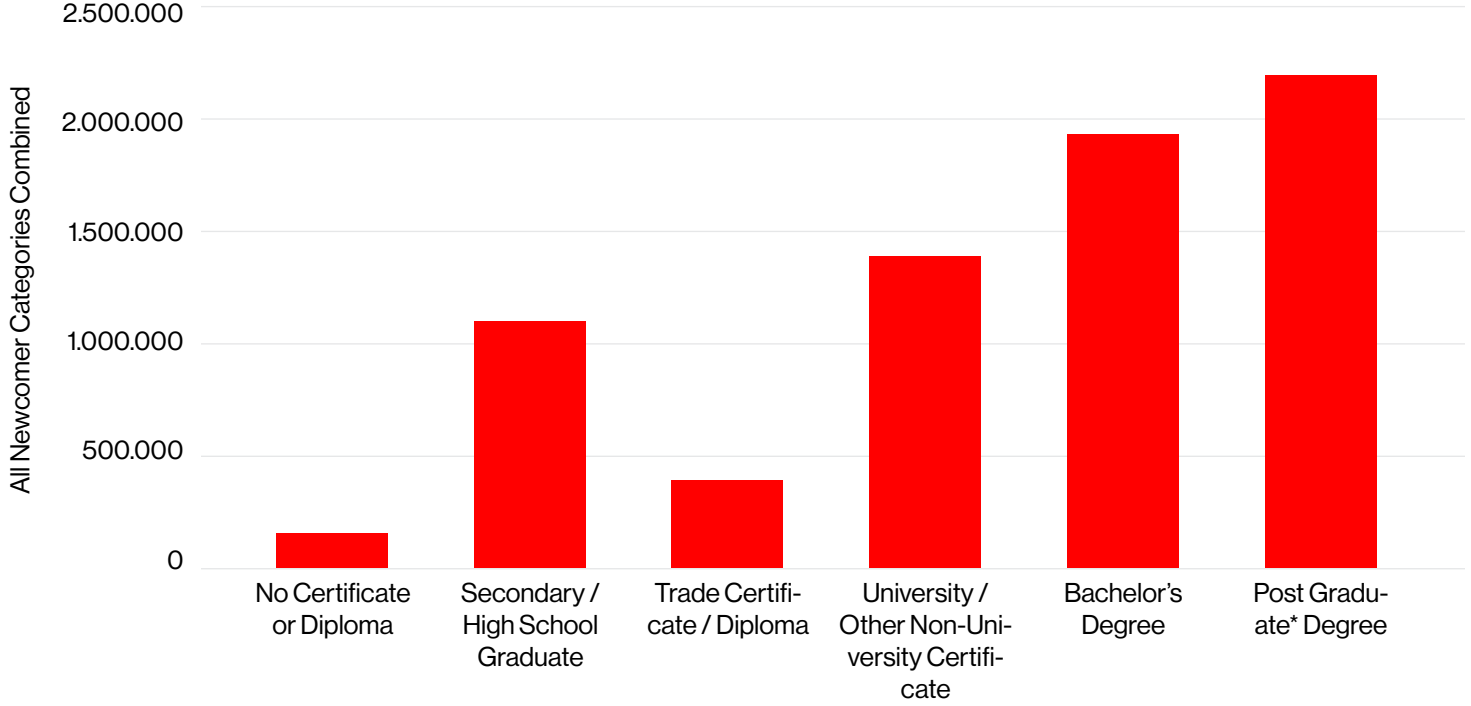


All Newcomers - By Gender / Sex at Birth

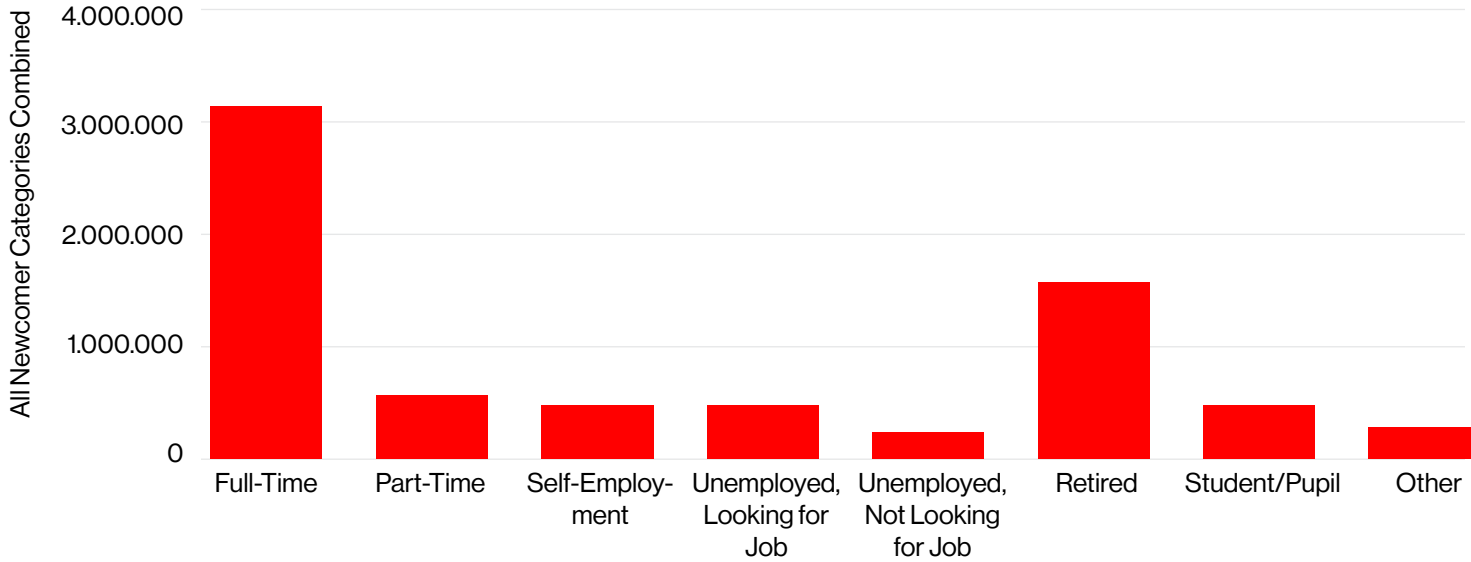


Additionally, the age of this audience must be considered when strategizing OOH campaigns. We are now well aware that generations react differently to advertising, and what they value in an advertisement varies. 48% of people who are newcomers to Canada are between the ages of 25-49. We have historically uncovered younger audiences being particularly drawn to the OOH media. OOH is trustworthy; especially during a time where online advertisements can be riddled with spam or illegitimate websites. This rings true for younger audiences. Combine this with an audience looking to find the lay of the land and understanding a new country, you get an audience ready to learn about the best places to shop, eat, drink, be entertained and services to sign-up for. And what better way to learn about their new country of residence than to be exposed to the trustworthy media of OOH advertising.

All Newcomers - By Education



All Newcomers - By Employment Status



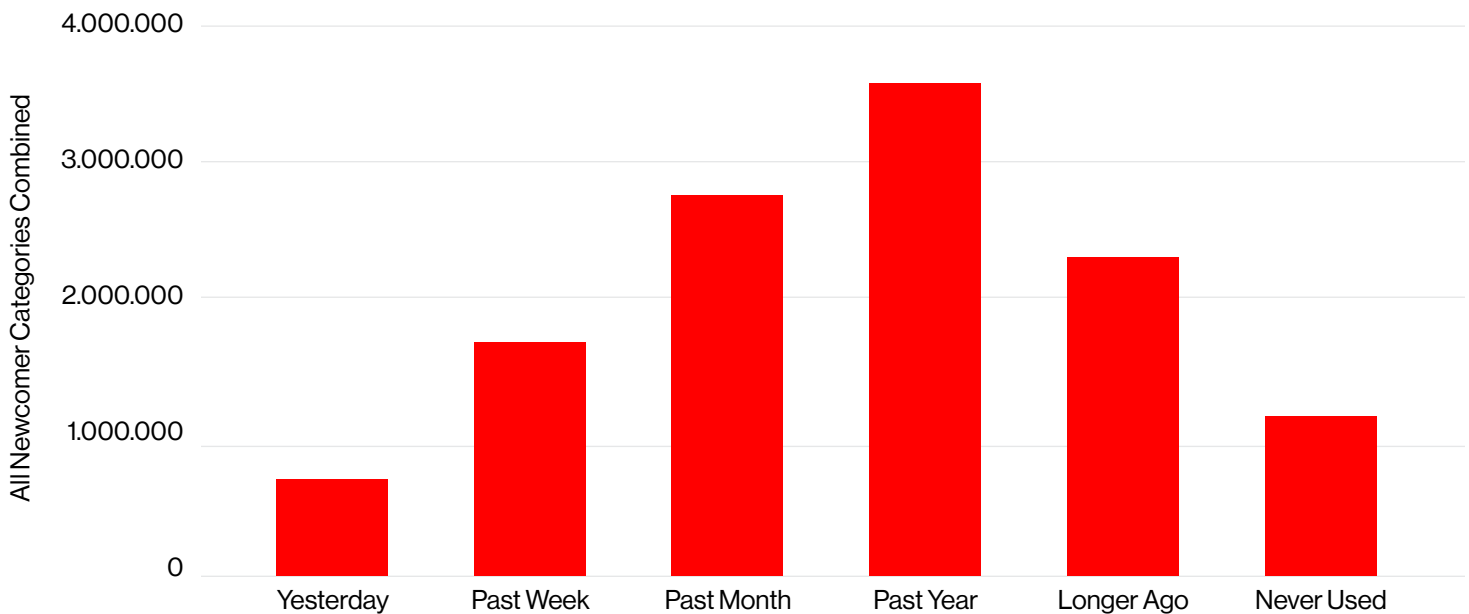
Source: Vividata Spring 2024

It's significant to note that many of the newcomers entering Canada are highly educated with Postgraduate degrees. Additionally, their employment status is mostly full-time.

Where are they going?

The use of public transit for this specific audience is a significant part of their day-to-day life, making them an increasingly reachable audience for those looking to utilize the OOH medium. All newcomers to Canada index 45% higher than the average Canadian for utilizing public transit in the last 7 days.

All Newcomer Categories Combined vs. Public Transit - When Last Time Used



Source: Vividata Spring 2024

Specific audiences within this newcomers to Canada group index even higher:

- International exchange (Index 177, 1.77x higher than the average Canadian)
- Working on temporary work permit (Index 238, 2.38x higher than the average Canadian)

The above signifies a timeline of 7 days since transit was used, however, the below is even more impressive with the respondents stating they had used public transit just yesterday. All newcomers index 33% higher than the average Canadian for utilizing public transit just yesterday.

Again, specific audiences within this newcomers to Canada group index even higher:

- International exchange (Index 171, 1.71x more likely than the average Canadian)
- Working on temporary work permit (Index 200, 2x more likely than the average Canadian)

30% of all public transit boardings in past 7 days were newcomers to Canada



How do newcomers in Canada resonate with Out-of-Home?

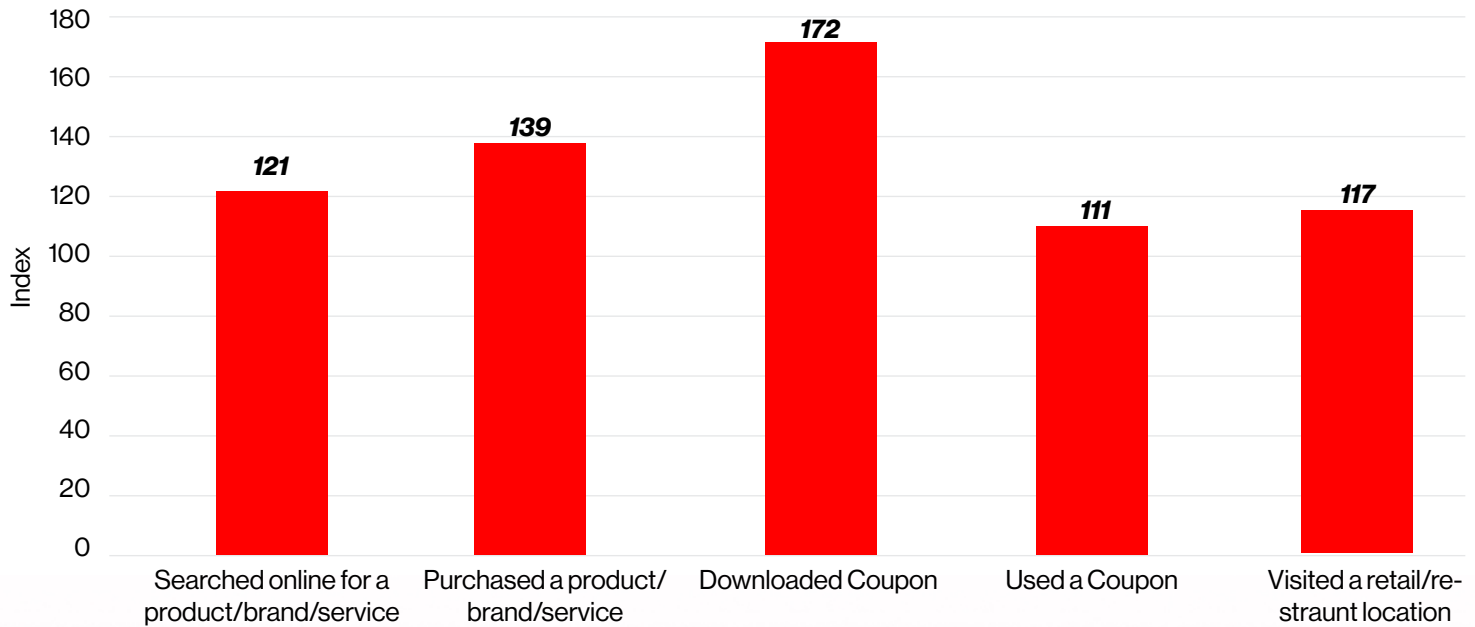
Newcomers to Canada are an exceptionally diverse audience and are looking to uncover new products and services that fit their lifestyle. In this new chapter immigrating to a new country, discovering what is available to them is imperative. Being consistently on-the-go with their use of public transit, OOH is right front and centre, acting as an excellent source of information to help guide them in this transition.

According to Vividata's Spring 2024 Study, **42% of Newcomers to Canada sometimes notice any format of OOH (Index 110) and 20% (Index 107) most often do.** This audience makes up any Newcomers to Canada, ensuring a wider understanding of this audience while looking at OOH exposure. This includes Newcomers that are International/Exchange students, working on temporary work permit, newcomers from a family sponsorship, on a work visa, a refugee, other or not stated.

Not only do they notice, but they take action.

OOH is bold, and hard to miss. So yes, this audience is noticing OOH. However, something else makes this audience crucial for brands to advertise to. This audience takes action after exposure, even more than the average Canadian.

Action Taken (Yesterday) After OOH Exposure (Index Chart)

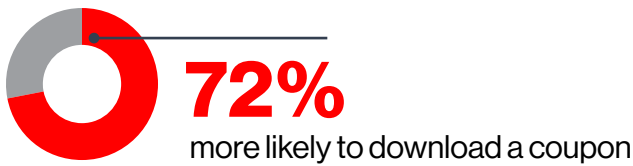
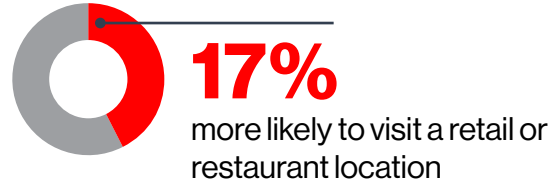
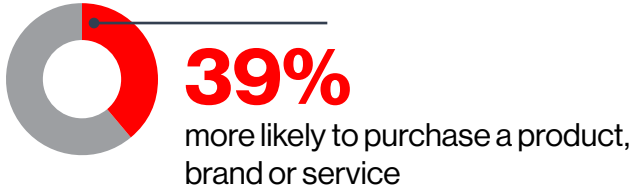
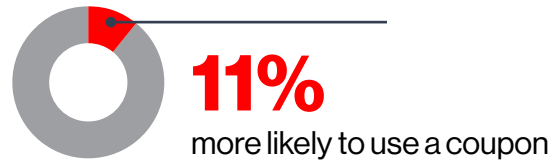
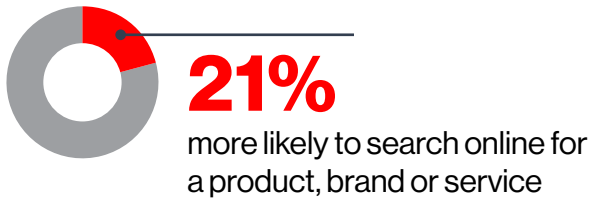


Source: Vividata Spring 2024

Keep in mind, the chart above focuses on all ages of Newcomers, not only younger audiences, which truly shows their trust and resonation with the OOH media. In each variable shown, newcomers to Canada have taken action just yesterday after OOH exposure more than the average Canadian.

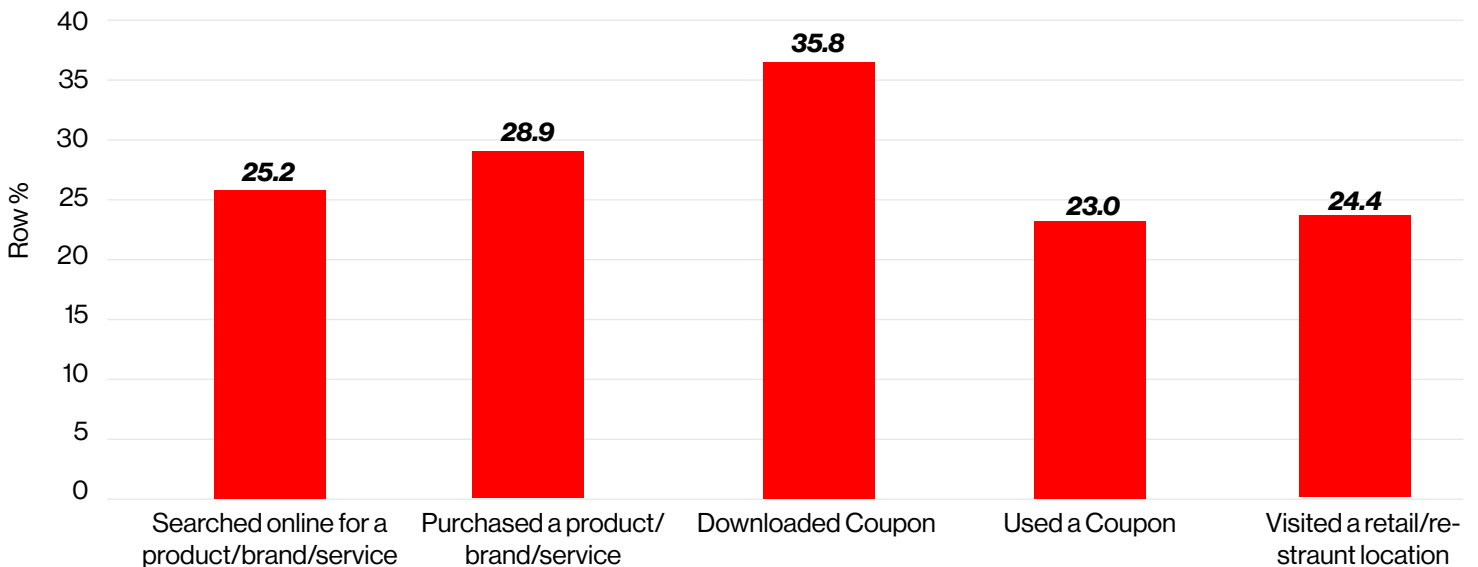


Newcomers to Canada after OOH exposure just yesterday are...



Action Taken (Yesterday) After OOH Exposure

Source: Vividata Spring 2024



29%

of Newcomers to Canada are purchasing products the day after they are exposed to OOH. (Index 139).

36%

of Newcomers to Canada are downloading a coupon the day after they are exposed to OOH (Index 172).

Shopping Habits for Newcomers to Canada

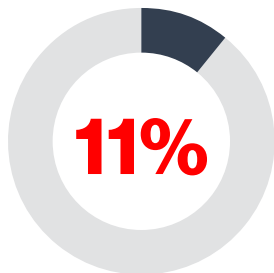
Let's take a look at Newcomers to Canada's shopping trends and habits from an index perspective. In comparison to the general population, where do Newcomers to Canada truly shine from a consumer perspective?

Newcomers to Canada are...



more likely:

- to make impulse purchases;
- to purchase from a company that offers competitive prices, regardless of their reputation;
- to state they feel reassured using products recommended by an expert;
- to state they believe well-known brands are better than a shop's own brand;
- to shop more luxury brands if they participated in recommerce, i.e., sold pre-owned products from their brands.



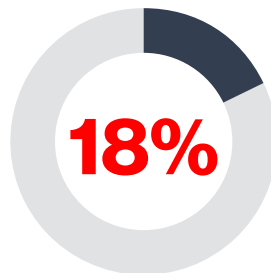
more likely to state if they trust a brand, they will buy it without looking at the price.



more likely to state that product reviews have a major influence on their purchasing decisions.



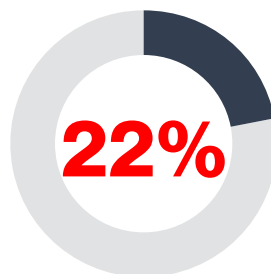
more likely to buy from any website as long as it is the cheapest.



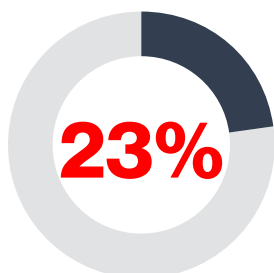
more likely to state they can't resist expensive products.



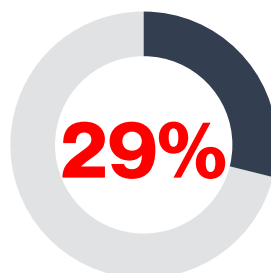
more likely to have people come to them for advice before buying new things.



more likely to try new brands.



more likely to buy new products before most of their friends.



more likely to state celebrities influence their purchasing decisions.

Luxury, on a budget

With a balance of both enjoyment of luxury brands, but desiring to purchase on a budget, Newcomers to Canada are a unique audience that see both perspectives from consumer habits. They do tend to trust larger brands more-so than local brands based off of this Vividata Spring 2024 study, and could be considered trailblazers for new products amongst their friends.

Newcomers to Canada are here, and immigration will continue to be a priority for Canada's *'Canadian Immigration Plan.'*

Canada's Immigration Plan states the government is committed to bringing in 500,000 new immigrants by 2025, with the objective to support economic prosperity within Canada. This audience will continue to grow in the upcoming year and should be considered as a potential primary target audience for brand marketers. Understanding this audience will allow for new opportunities to speak to a prominent, relevant audience, especially in Ontario and BC - but across Canada in its entirety are seeing this new audience.

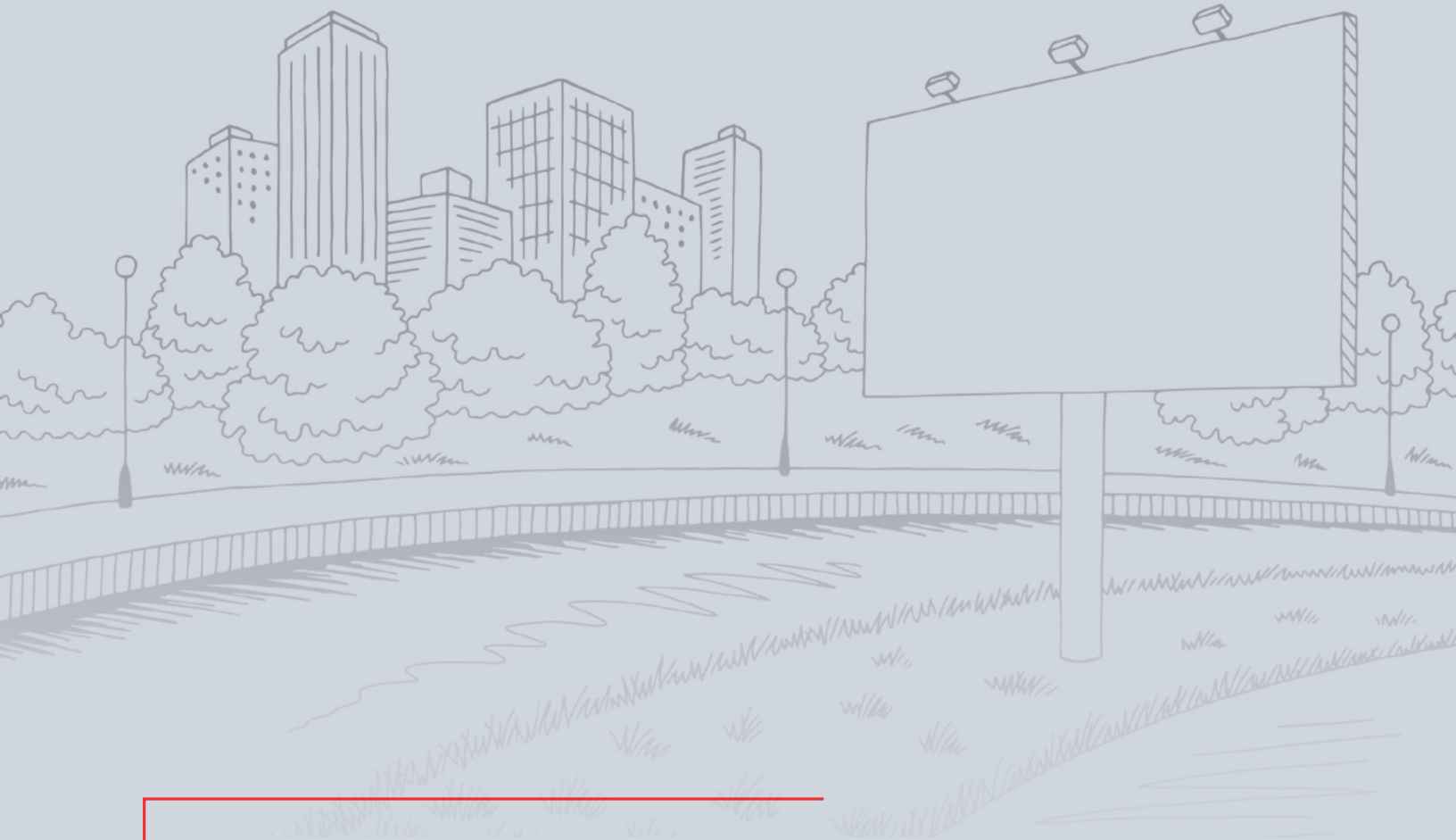
Summary Statement

Summer is already coming to a close, and we are on the cusp of Q4 - which means focus on back to school and the holidays. We know these are busy times for the OOH medium, but at COMMB, we challenge ourselves to think outside the box to find opportunities beyond the surface for OOH. Not just from a business perspective, but also from a creative perspective. The Canadian Out-of-Home Awards for 2025 are quickly approaching, and we encourage setting the bar high with incredible creativity for the latter half of 2024, which can be submitted, and potentially celebrated on the stage!

In this Insights Report, touching on the The Road to Return (Buy Online Return In-Store), Personalized Content in OOH and our Audience Highlight segment which focuses on the exponential growth of Newcomers to Canada gave a scope into trends in the Canadian market that will benefit advertisers, brands and brand marketers. We hope you were able to apply some of our findings to your campaign strategies. If you've developed a strategy that includes any of these topics, COMMB would love to hear about it!

Contact us at marketing@commb.ca to submit your case studies.

Special thanks to all contributors



↙ **Get in touch!**

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