



Update

Summer 2021

Board of Directors

- **Ward Griffin**
Chair
Lowe-Martin
- **Stéphane Dagenais**
Vice Chair
Domtar Canada
- **Jennifer Davey**
Treasurer/Secretary
Marketing Kitchen
- **Eleanor Rafter**
Board Member
Canada Post
- **Jennifer Bradbury**
Board Member
Direct Response Media Group
- **Richard Kouwenhoven**
Board Member
Hemlock

Welcome to SMG Update

Welcome to the Sustainable Mail Group's *Update* newsletter! *Update* will be issued quarterly and will be your resource for new information and late-breaking news.

Mail continues to provide a stable and valuable communications channel within the rapidly changing digital ecosystem. SMG believes that there is a need to address consumer demand for responsible mail production practices. With tens of thousands of jobs involved and over 6.3 billion pieces of mail printed, produced and delivered in Canada each year, the SMG invites interested parties from the sector to join us in fostering a better understanding of the environmental impact of the industry with the goal of adopting best practices.

We've begun the exciting work of building out a set of resources that will help our members and the entire mail ecosystem:

- Sustainability road maps
- Information about tools like carbon footprint calculators
- Best practices
- Seminars
- Case Studies

Thanks for being part of this important work. We look forward to hearing from you and we welcome the information, experience, and resources you can share with the industry.

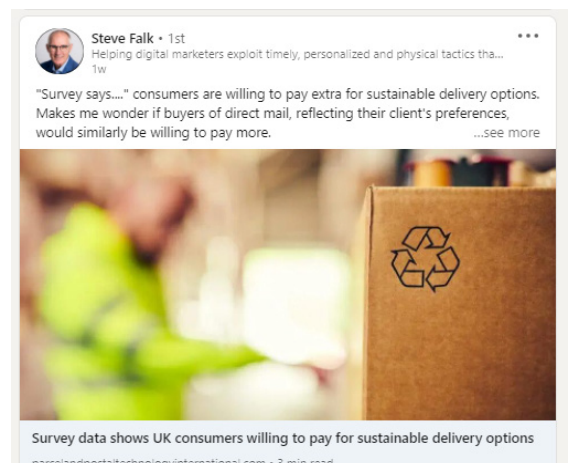
Ward Griffin

Engage with us on LinkedIn

Communicating with like-minded members of the mail ecosystem is one of the keys to making progress on our environmental aims. Our LinkedIn Group is a convenient platform for sharing information and comments.

SMG's LinkedIn Group is open to all and allows for a more regular pulse of news. It encourages the dissemination of links to content on the website, events as well as the re-sharing of sector relevant information from around the world that can help members understand the state of sustainability activity in this industry. Join the conversation at:

<https://www.linkedin.com/groups/12523841/>



Paper vs Digital Advertising: Does Better Exist?

The quest for sustainability is one that every industry is engaged with. The term “net zero” is becoming part of everyone’s vernacular, and the tools to achieve this end are becoming more readily available with each passing month and year.

The conversation that has unfortunately pitted paper advertising against digital advertising in an attempt to prove one as the sustainable superior has created this rift in the marketing and advertising industry. Before we think of taking sides, we need to understand if sides actually need to be taken, or can we leverage the current landscape and tools to produce the most sustainable and impactful products possible?

This conversation is actually far more complex than the average person may think, thus making it very difficult to navigate. I would propose that we all exercise great caution in attempting to develop a one-to-one comparison of these channels, because of how different they actually are.

Having anyone compare paper to digital, whether intentionally or unintentionally, is a slippery slope. Before we fully engage with the principal of the topic, we need to do our best to understand the subtleties of the conversation. The reality is that these two media are drastically different. From concept through creation and distribution, we need to do more than scratch the surface if any one party were to make a claim to be sustainability superior.

The process of creating digital advertising is unique in the sense that it never leaves the computer or cloud in most cases. Digital marketing pieces are conceptualized,

created, and distributed all utilizing digital channels. At a glance, most people would see this as a victory for the environment because of the lack of paper, and physical transportation; however, this would be a fairly short-sighted assessment. For all the benefits of the digital world there is a large and overlooked drawback...power generation (in the electrical sense). All these devices—phones, tablets, computers, monitors, tv’s—require a source of power in order to operate. In addition to the power required to manufacture and operate these

to run and connect all these touch points.

Paper or physical advertising isn’t without its flaws, either. There are the obvious points of contention—the perception of paper’s impact on the forestry industry, GHG emissions to run the pulp and paper factories and timber mills, and then there is the transportation of the physical product itself. Granted, these touch points are not running 24 hours a day, seven days a week like a data center, however, they are producing GHG’s nonetheless. Before you attempt the mental math,

The reality is that these two media are drastically different. From concept through creation and distribution, we need to do more than scratch the surface if any one party were to make a claim to be sustainability superior.

devices, there is also a massive need for electricity to power data centers or “the cloud” that allows these devices to interact. Without these data centers, digital advertising, as we know it today, would be almost impossible. The source of this electricity in most cases is not net zero. In fact, today most of the world’s power is still generated using gas, coal, and oil, none of which are even remotely environmentally friendly[1]. Furthermore, electrical energy consumption contributes to roughly 73% of the world’s GHG per year[2]. Before you assume that digital is cleaner you need to consider the GHG impact of the constant power generation required

you need to understand the current state of the paper industry and what are now considered table-stakes. Not all paper is created equally. Sustainably certified papers utilize and abide by strict forest management guidelines, especially in Canada. These guidelines have led to one of the most sustainable tree canopies in the world, a canopy that is seeing less than .02% reduction annually [3]. On top of all this, a majority of direct mail pieces that are produced today are 100% recyclable and already utilizing certified paper.

As if this topic wasn’t multifaceted enough, there is also the concern of “additionality”. Proponents of the

digital advertising world and some consumers argue that the negative impact of the device itself as well as the data centers is irrelevant to the conversation because even if they didn't get emails and advertisements sent to their devices, they would still own them and the data centers would still exist. This implies that the relationship of digital

ing, "the click rate". It's far too easy and routine for email inboxes to be routinely purged of marketing emails, there is even a spam filter function designed to aid in this practice. So even if your email campaign is lucky enough to penetrate this dragnet of personal preferences, you are now challenged with hoping that the end

ability and effectiveness. The return on investment (ROI) of physical mail has long been a consideration for many, as minimal at best, and, at times, dependent on economies of scale. These two problems are solved with digital solutions: data hygiene and targeting. The technology is readily available to help marketers get the most bang for their buck. Digital insights can prove marketers with data on their targeted consumer, from what they like to buy, to the areas they frequently visit, and the routes they take to get there. This level of granular data can help marketers of all kinds really focus in on how to best gain touch points with their target market segment and produce smaller more targeted and highly effective physical marketing pieces.

In short, the argument that opposes digital against paper on the quest for sustainable mail marketing and communication is not definitive or perfect for either party. **The reality is that there are just some GHG emissions that we are unable to avoid today.** Our environmental aspirations exceed our technological advancements for the time being. That being said, this is a great problem to have, and it is inspiring innovation at a rapid rate and forcing us to really look at our own practices and processes. The practice of net zero mail could be on the horizon.

Francis Scherer

Our environmental aspirations exceed our technological advancements for the time being.

advertising is not directly reliant on a digital device itself. Thus, the negative environmental impact of the physical devices and data centers is not relevant or applicable to the argument. This argument also applies to the paper and logistics industries. Post trucks and delivery agents already have delivery routes that they will travel every day, so whether or not they are transporting physical direct mail pieces or not is not applicable to the argument. In addition, the forestry industry is primarily dominated by the manufacturing of hard goods like lumber, flooring and the like, therefore, it is not likely that that industry would cease to exist without the contribution of paper production.

As you can see, there is no clear winner if you are searching for one. This being said, **there is a world where these two media of information can effectively co-exist and actually support each other.** Perhaps this is the ideal world. The solutions to the shortcomings of each medium lie in its counterpart.

Let's look at one of the common complaints about digital advertis-

recipient will even entertain the notion of opening the electronic communication in question. Once clear of this filter the communication now needs to be perceived as legitimate mail and not a scam. There are so many phishing schemes out there it's becoming harder and harder to tell what electronic communication is safe to engage with. It has been identified that paper or physical advertising is often accompanied with a stronger sense of security and legitimacy. Customers feel that if a physical piece of mail was delivered that the company in question has an investment in its success. In addition, physical advertisements tend to make it inside households and have an actual presence until they make their way to the recycling bin. On average, 86% of Canadians open physical mail if it's personally addressed to them [4], thus increasing the probability of engagement with multiple household members.

When we explore one of the concerns of physical mail, we can look to digital solutions to aid in the quest for increased sustain-

Notes:

- 1 - <https://www.nsenenergybusiness.com/news/newsthe-worlds-most-used-energy-sources-4757903/>
- 2 - <https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors>
- 3 - <https://www.nrcan.gc.ca/our-natural-resources/forests-forestry/wildland-fires-insects-disturban/deforestation-canada-key-myths-and-facts/13419>
- 4 - <https://aiim.com/direct-mail-marketing-canada/>

Paper Consumption, Sourcing and Recyclability

The mailing industry, supported by the Sustainable Mail Group (SMG), creates and distributes a huge number of marketing and public service pieces that are the foundation on which we create tangible communication materials.

Most of these pieces are made of paper, sourced from one of the most renewable resources on the planet—wood—and is strictly regulated by Natural Resources Canada (NRC). That agency's mandate is designed not only to promote zero waste

but to emphasize total use of the tree and beneficial reuse of paper manufacturing by-products.

While NRC's regulations have helped the annual deforestation rate in Canada remain at less than 0.02% over the past 10 years, there is still much we can do to ensure we are responsibly managing and protecting our forests

Steps the mailing industry can take include, but are not limited to: sourcing from forestlands managed under best forestry practices; adopting tree-free

paper options such as substrates made from agricultural fibers; and seeking insight from a variety of stakeholders such as government agencies and environmental groups. By making thoughtful and collaborative decisions about the paper we use, we can further improve the sustainability of the mail value chain.

For further details, visit <https://www.sustainablemailgroup.ca/paper/>

