



HM15

HAPPENING MARKETING 2015

MARKETING WEB
WEB MARKETING

A L'UNIVERSITÉ DU QUÉBEC À TROIS-RIVIÈRES





Introduction

Since the 1990s, the Internet has evolved greatly and has, therefore, shattered the consumers' behaviors. It has also changed the way consumers interact with companies.

Through the Web and due to a number of social, economic and demographic factors, consumers are now better educated and informed as far as the products and services they consume are concerned. Consumers shop wisely. Therefore, the challenge to attract their attention and earn their trust is always growing.

Over the years, RONA has managed to evolve among other businesses in order to stay in the hearts and the heads of Canadian consumers. In order to allow this tradition of constant evolution to continue, RONA now requires your expert web marketing services.

RONA

Last October, RONA celebrated its 75th anniversary and after so many years, the company is still positioning itself as one of the most important distributors and retailer of hardware supplies for residential construction and residential renewal in Canada.

The company's mission is to:

Provide Canadians with the best products and advices to build and renovate their house, with complete confidence.

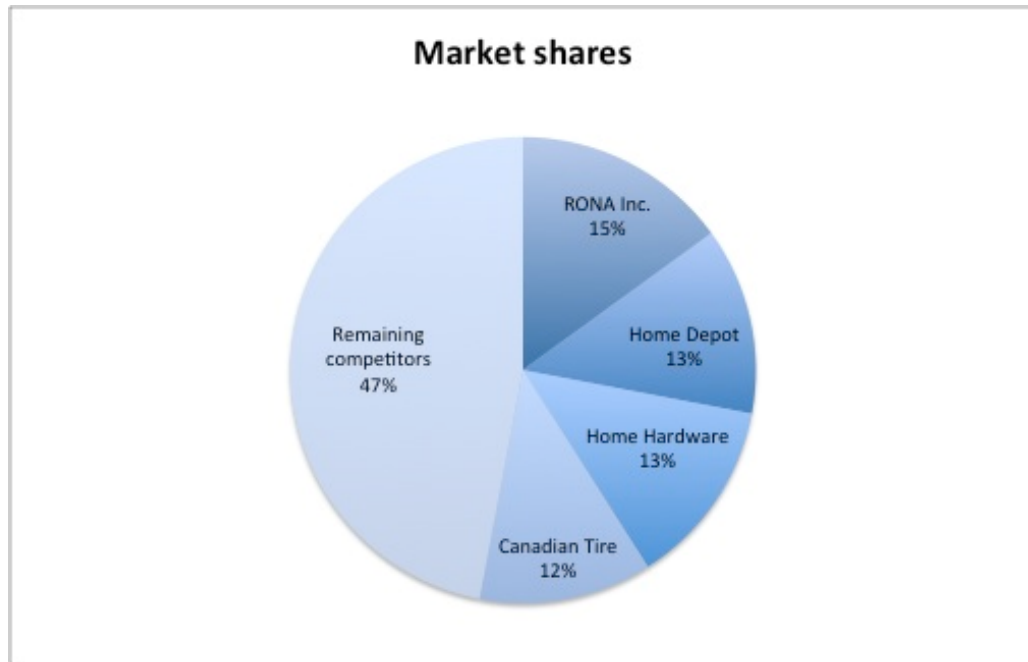
Below is the organizational culture summed up in three points: what motivates us, how we make it and what inspires our leaders. You will also find the company's values in Appendix 1.



RONA, important Canadian retailer and distributor, exploits, under various banners, a network of corporate stores, franchised and affiliated with formats that are as complementary as they are diversified. The customer experience remains the priority for the company for both the retail and the distribution. RONA bets on an efficient distribution network to stand out from competitors, providing the necessary materials to either the beginner or the experienced handyman and, to contractors.

In 2014, expenses in the renovation were progressing well to reach a record of \$50 billion, which was competing with the expenses related to new construction. In the last decade, the number of private homes in Canada has raised about 15%, or more precisely, about 1.9 million units. Furthermore, last year, Canadian households have spent an average of \$3500 each (in current dollars) on residential renovations.

In 2013, the sales figures of RONA were about \$4.2 billion. The company had, at the time, 24 000 employees. On September 29 2014, RONA had 509 stores across Canada. In Appendix 2, you can find a map showing all the points of purchase of RONA. Including RONA, the 4 key players of this market represent \$216 billion in sales, which is 53% of the Canadian market.



Positioning

The company is positioning itself as the most important distributor and retailer of the country in hardware, rehabilitation and lawn and garden products. Nearly one-quarter of its sales are generated by the distribution. Established in 1939, RONA chose an aggressive strategy in order to extend its stores everywhere in Canada. Therefore, RONA is now present in Canadian homes and gardens.

In 2015, RONA wants to keep on consolidating its position of leader, but also wants to increase its market shares.

Target customers

As described below, RONA has many types of targeted customers:

Passionnés de rénovation	Experts	Familles modernes	DIFM	Liberté 55	Génération Y
Profil sociodémographique et habileté en rénovation					
- Familles avec enfants 35 et 54 ans - Leur résidence est toujours (ou presque!) en rénovation - Experts ou intermédiaires - Rénover = plaisir	- Couples sans enfants 45 ans et plus - Surtout des experts en réno (et plusieurs sont intermédiaires)	- Familles avec enfants 35 et 54 ans - Rénover est plus une obligation qu'un plaisir - Peu ou pas intérêt pour la réno	- Font faire leurs travaux par un professionnel 45 ans et plus - Novice et débutant - Forte proportion de femmes seules (mais aussi des couples)	- Couples 55-64 ans - Intermédiaires en réno - Pas d'intérêt pour la réno et déco	- Plusieurs sont locataires (41%) - Jeunes (54%: 25-34 ans; 23%: 35-44 ans; 18%: 45-54 ans) - Peu d'intérêt pour la réno
Comportement et attitudes					
- Écoutent les émissions de réno et déco - Plusieurs préfèrent GS - Le prix est important - Consultent Internet - Variété des produits est très importante - Les « marques » sont importantes	- Le prix est très important - Plusieurs préfèrent les magasins de proximité - Les « marques » sont importantes - Utilisent peu Internet	- Très peu regardent les émissions de réno et déco - Utilisent Internet et regardent les circulaires seulement lorsqu'ils ont un projet de rénovation	- Aiment jardiner - Besoin d'expertise lorsqu'ils vont dans les magasins de réno - Utilisent peu Internet pour s'inspirer dans leur projet de réno	- Préfèrent les moyennes surfaces - Aiment jardiner - Adhérents Air Miles et Aeroplan sont surreprésentés	- Plusieurs préfèrent les GS - Consultent beaucoup Internet
					

Figure's translation:

Renovation enthusiasts	Experts	Modern families	Do-it-for-me	Freedom 55	Generation Y
Socio-demographic profile and renovation skills					
- Families with children - People between 35 and 54 years old - People who are always (or almost always) renovating their houses - Experts or intermediates - For them, renovating rhymes with pleasure	- Couples with no children - People of 45 years old and more - They are mostly experts (and some of them are intermediates)	- Families with children - People between 35 and 54 years old - Renovating is more an obligation than fun - Little to none interest in renovation	- Have a professional do the work - People of 45 years old or more - Novice or beginner - High proportion of women alone (but also couples)	- Couples - People of 55 to 64 years old - Intermediate in renovations - No interest for renovation or decoration	- Many are tenants (41 %) - They are young (54 % are between 25 and 34 years old, 23 % are between 35 and 44 years old and 18 % are between 45 to 54 years old) - No interest for renovation
Behaviors and skills					
- Watch shows about renovation and decoration - They mostly like superstores - The price is important - They use the Internet - The diversity of the products is very important - The brands are important	- The price is very important - Many prefer the close by stores - The brands are important - They don't use the Internet much	- They don't really watch shows about renovation or decoration - They use the Internet or read the circulars only when they have a renovation project	- Like to do some gardening - They need advices when they go to renovation stores - They don't use the Internet much to inspire themselves with renovation projects	- Prefer the mid-size stores - Like to do some gardening - They use Air Miles and Aeroplan a lot	- Most of them prefer the superstores - They look on the Internet a lot to shop

However, the earnings coming from renovations come from the first three groups, which are the renovation enthusiasts, the experts and the modern families. For that reason, as part of this mandate, RONA has decided to target these three groups.

RONA on Internet

RONA has two websites. The first one is intended for consumers (RONA L'Entrepôt in Québec, RONA Home and Garden for the rest of Canada and RONA for the neighborhood store). The second one is a corporate website. On the surface, the first website could be seen as a transactional website. However, its purpose is to allow items to be reserved so that people can come pick what they bought at the stores. In *Appendix 3*, you will find a snapshot representing the Internet homepage. According to ComScore, that website has an average of:

- 1 910 000 monthly visits
- 930 000 monthly unique visitors

The proportion of new visitors versus the recurrent visitors is 49%.

Migration to the mobile application

As the proportion of visits coming from desktop computers decreases, the number of visits coming from mobile devices took a giant leap from January 2014 to January 2015 (from 12.7% to more than 20%). The tablets usage has risen as well, but at a slower pace.

Origin of the visits

Source	% sessions
Organic	48%
Direct	23%
Paid	21%
Email	4%
Referral	4%
Other	0%
	100%

Under the “paid” category, there are the profitable keywords, banners and the Facebook Ad. The category “Other” is basically grouping together the visits coming from eflyers.

As far as the social media are concerned, the brand is on Facebook, Twitter and YouTube. Here is the important information to know about each media:

Facebook:

Likes: 47 379

Twitter:

Followers: 267

Following: 212

YouTube:

Subscribers: 4538

Approximately every three months, the brand tries to get more consumers. To do so, the brand is running contests and introduces Air Miles offers, as shown in *Appendix 4 and 5*. So, with its multiple marketing strategies, in 2014, 133 000 new subscribers have given their names to receive RONA's newsletter.

Competition

In Canada, RONA has many direct competitors that are big players, such as:

- Canadian Tire (based in Canada)
- Home Hardware (based in Canada)
- Home Depot (based in the United States)
- Lowes (based in the United States)
- Canac (based in Québec)
- BMR (based in Québec)

Problematic

In the actual context, where the electronic channels are more and more used to communicate with target customers, the arriving, in 2014, of Canada's Anti-Spam Legislation, has become a major challenge for many organizations, including RONA. In order to comply with this reality, RONA has to reconsider its strategies and make the necessary changes. This legislation represents an additional challenge regarding the integration of the Web in business strategies.

A legislation that changes everything

Since July 1st, 2014, Canada's Anti-Spam Legislation, also known as Bill C-28, aims to reduce the number of unwanted emails that are being sent and to protect consumers of abusive and inopportune marketing practices. Within this context, it is now prohibited to send a promotional email to someone who has not given his consent

Before, companies were either buying or manually building lists to fill their email database. Also, they were sometimes using a consent box that was checked by default in their online forms. Nowadays, these tactics are all prohibited by Canada's Anti-Spam Legislation. However, please note that the use of checked box by default is still allowed. A form example, including a consent check box, is available for consultation in *Appendix 6*.

The types of consent

Two types of consent give a person the permission to communicate with an addressee: the implied consent and the express consent.

The implied consent

In order to get what is called the implied consent, it is essential to have previously been on a business relationship with a person before sending a commercial electronic message. Like so, without even getting the voluntary consent from a person, you can communicate with people who have previously done business with you.

However, with the implied consent, it is important to note that the permission to communicate with a person vary according to the type of consent. Here are lists of implied consents that are accepted with their specifications regarding their permission to send communications:

- **Purchase:** Every purchase of goods, products or lands results in an implied consent of 24 months.
- **Contract:** Every written contract results in an implied consent of 24 months.
- **Information request:** Any information request results in an implied consent of 6 months.
- **Request for submission:** Any request for submission results in an implied consent of 6 months.
- **Exchange of emails or business cards:** If a person gives you his email address or business card without specifying that he does not want to receive promotional offers, you have his implied consent. That form of implied agreement is not subject to a specific period of time but the addressee has the right to stop the promotional offers from coming at any time.

The express consent

Consent is considered express when a person voluntarily agrees to receive your promotional offers and communications. Three types of proofs are valuable to prove that you have the express consent of a person, on a particular date:

- The **verbal acceptance:** The verbal acceptance by an individual has to be recorded. The date of the consent has to be noted.
- The **proof of an electronic consent:** The information regarding the consent has to be verifiable with at least one date, an email or a name.
- The **proof with a written consent:** The proof of the written consent has to be kept with a name and a date.

The major advantage of the express consent is that once you have it, it is a consent that has no expiration date.

In this context, the key, in term of marketing by email, is to be able to get the express consent of potential clients and to convert people for whom we have an implied consent with an express consent in order to be able to send them promotions by email.

Mandate

For RONA, sending emails to its clients is very important because of the benefits it gives the organization. It is proven that sending emails increases the monthly and annually expenses made by consumers at RONA, exposes clients to the offers of RONA Inc., and encourages people to shop in the stores. It is also a source of inspiration and, of course, so much more.

It is why, as RONA's web strategy agency, your mandate is to increase the company's database with email addresses of potential and qualified clients. RONA wishes to get the express consent of these addressees in order to send them promotional emails.

Thus, you have to present an integrated web marketing strategy. The goal is to get one million (1 000 000) new email addresses. Right now, RONA has a database of about 1 000 000 email addresses. As you can see, the objective is very ambitious. Do not hesitate to offer solutions that include different channels and web tools. If necessary, offline strategies can also be included in the marketing plan. You have to make sure that your strategy aligns with the overall objective that RONA has fixed which is to consolidate its positioning and invest in the most profitable marketing tools possible in order to increase their income and their market share.

Note: Even though the brand Réno Dépot belongs to RONA, the present mandate only regards the brand RONA.

Budget

In the past, RONA had to review some of its marketing investments in order to maximize the return on investment and to bet on more profitable actions. There is definitely a web turn that has been taken at RONA, and the proportion of the budget given for the Web in the marketing budget is growing since 2015.

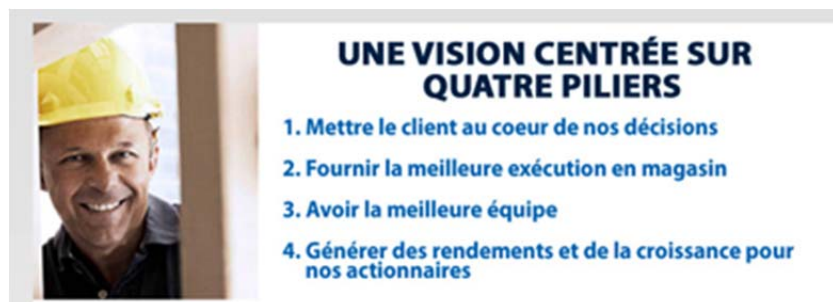
For this mandate, RONA's budget is \$400 000. This amount must cover the expenses for consultation, planning, implementation (design and programming), management and the measures that will be taken to maximize the strategy chosen.

Time constraint

The email addresses must be gathered between April 1st and January 31st 2016. You have a short period of 10 months to get one million of email addresses of qualified and potential clients.

Appendix

Appendix 1 — RONA's values

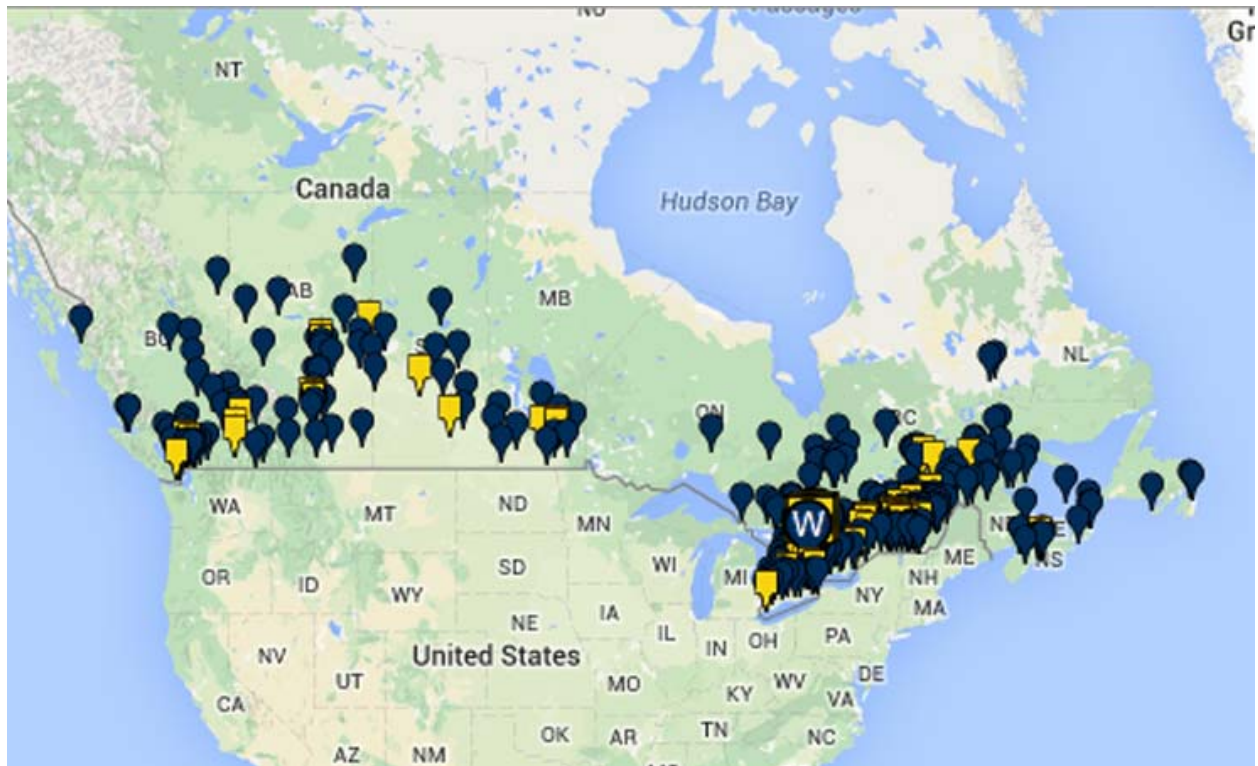


Figure's translation:

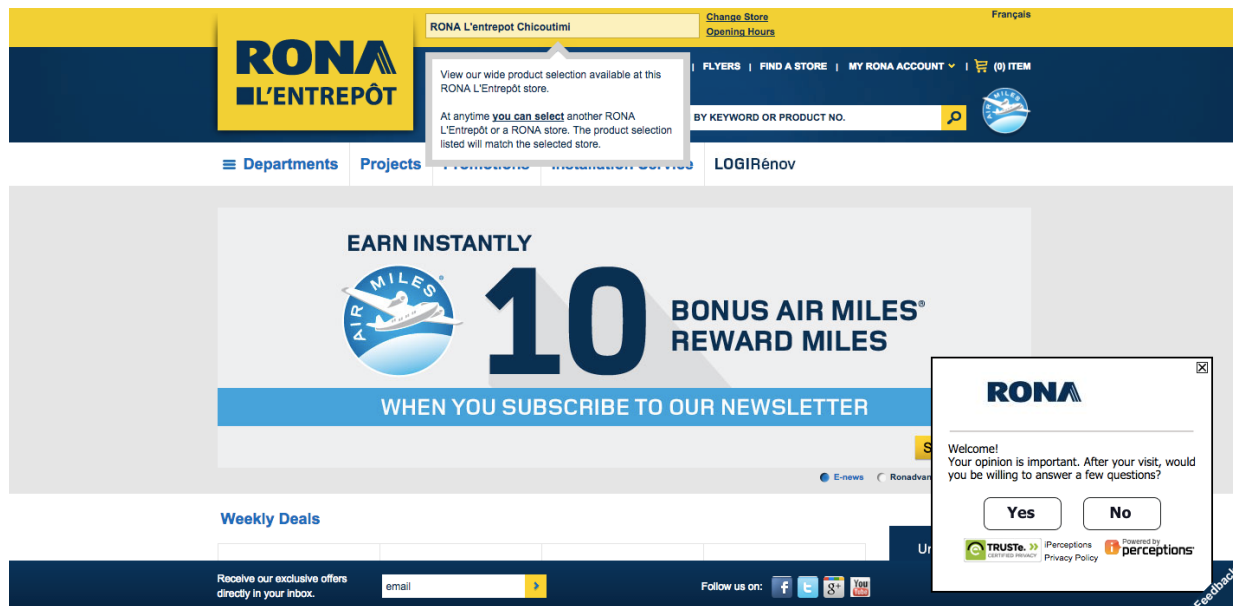
A vision focused on four key pillars

1. Put the client at the heart of our decisions
2. Provide the best execution in stores
3. Working with the best team
4. Generate real returns and growth for our shareholders

Appendix 2 – Store location of RONA's stores



Appendix 3 — Screenshot of RONA's Internet homepage



Appendix 4 — Example of contests



Figure's translation: Contest : Spring's event. \$10 000 to win in gift cards.

Appendix 5 — Newsletters' registration form with a welcome offer of 10 Air Miles

ENGLISH

RONA

E-NOUVELLES

Subscribe to the RONA E-News and get

**10** **BONUS AIR MILES**
REWARD MILES**

You will also receive

- A flyer according to your preferences
- Exclusive online offers
- Products offers and more



**Offer valid ONLY for customers who subscribe to the RONA E-news between August 29 to October 5, 2014. To earn the AIR MILES reward miles, new RONA E-news subscribers must enter their AIR MILES collector number in the RONA E-news subscription form and submit their subscription. Offer does not apply to a subscriber whose email address and/or AIR MILES Collector number is already registered in the RONA E-news database. Limit of one offer per subscriber Collector number. Once the subscription is confirmed, the Bonus reward miles will be deposited in the subscriber's AIR MILES Collector Account within 60 days of the end the promotion if the conditions of the offer have been met. Details in store. ®TM Trademarks of AIR MILES International Trading B.V. Used under license by LoyaltyOne, Co. and RONA inc.

Subscription

*First name

Helène

*Last name

Simard

*Email address

helene.simard@email

*Confirm email address

helene.simard@email

*AIR MILES Collector number

Become an AIR MILES collector today ?

*Postal code

H2N 3N8

☐ I authorize RONA Inc. to contact me every week by email so I may be informed about RONA's special offers and services. It will be possible to unsubscribe at all times. For questions or comments, please contact our Customer service team.

Subscribe

Appendix 6 — Example of a consent case in a form

Subscription

*First name

*Last name

*Email address

*Confirm email address

*Postal code (e.g.: H1H 1H1)



AIR MILES Collector number

To receive your AIR MILES offer, you must enter your AIR MILES Collector number

Check box if you are members of:

☐

RONAdvantages

☐

*I authorize RONA Inc. to contact me every week by email so I may be informed about RONA's special offers and services. It will be possible to unsubscribe at all times. For questions or comments, please contact our [Customer Service team](#).

Subscribe