

# Changing with the Times

## B2B direct mail and catalogs stays relevant with increased targeting

**B**2B marketers need to connect with prospects as early as possible in their decision-making process. Making direct mail an integral part of their multichannel contact strategy can help companies influence customers, build brand presence and create a comprehensive strategy to close the sale.

"There's less clutter in the mailbox, so direct mail is trendy again—and it's working," says Grant Johnson, chief measurable marketing officer of Brookfield, WI-based B2B agency Responsory. "Using direct mail with the right lists and segmentation can warm people up and drive them to digital channels, giving you a tremendous lift."

"Usage is going up," agrees Dick Goldsmith, president of direct mail consultancy The Horah Group. "I don't think that the postage increase at end of May hurt direct mail or catalog usage in B2B. It's part of a strong multichannel program, and a good way to reach people who delete emails and texts."

Today, direct mail done right has an aura of being unique and special, particularly to younger recipients, Goldsmith notes. "People still find a lot of value in mail."

"We see people going back to mail," adds Jeff Hopp, vice president of sales and marketing, Ripon Printers. "Runs are shorter and more targeted."

"B2B marketers are targeting a more focused campaign base, using direct mail to tie channels together and build a cohesive message," says Grant Miller, vice president, global strategic product development, Pitney Bowes. "They're moving away from a mass market approach and delivering campaigns in a personalized fashion, weaving the message through multiple communication vehicles."



### TIMING IS EVERYTHING

The key, of course, is to hit people when they are making their buying decisions. B2B expenditures are typically a considered purchase that involves multiple decision makers. This, says Johnson, means marketers must adjust their copy to address each constituent's needs.

"The CEO has a different set of responsibilities and concerns than the CMO or the CIO, so consider keeping the same creative look and theme [to your pieces], but vary the copy to suit the person you're trying to reach," says Johnson. The CEO wants to know

how [what you're selling] will impact the bottom line, while the CIO will want to know how it will integrate with their existing systems."

Smaller, more targeted data-driven direct mail campaigns are definitely the trend, says Pitney Bowes' Miller, noting that relevancy to the target audience's needs is essential.

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## FUN WITH FORMATS

### WHAT WILL WORK BEST FOR YOU IN THE MAILBOX?

Do you go small and efficient? Or do you go big or go home?

There's a number of factors that come into play when deciding which direct mail format makes the most sense for your B2B campaign.

When it wanted to launch its BEACON advanced metering analytics product, Badger Meter—a maker of liquid flow measurement tools—knew it wanted to make a big impression in the market. It turned to Responsory to develop a three-dimensional direct mail package, which connected with a corresponding landing page as the call to action to engage C-level executives.

The 3-D mailing engaged C-suite prospects.



"It served to energize and focus our salespeople to go pitch BEACON," says Judson Luke, integrated marketing services manager, Badger Meter.

How much information you need to get across in your mailing also influences whether a less expensive—but still effective—format such as a self-mailer is the route for you.

If you do opt for a self-mailer, make sure you put your offer on both sides, especially next to the recipient's name and address, advises Dick Goldsmith, president, The Horah Group.

"If you don't, you're wasting real estate," he says. "If a self-mailer doesn't grab someone immediately, it will go right into the trash. You need to get people's attention." —BNV

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"You need a strong call to action to get the dialogue going," he says. "It's all about weaving your message through multiple channels. Give people multiple ways to get engaged and understand their communications preferences. Don't miss an opportunity."

Many B2B marketers forget that without the right lists, even the best mail package in the world won't perform. "Understand your existing customers," says Johnson. "Who is buying from you? What titles do they have? What is their buying process? Profile and model based on what you've had success with."

Another thing you can file under "Direct Marketing 101" is making sure that you give your target a strong call to action. "Give them a reason to take that next step," says Johnson. "Why should they respond? People hate to be sold to, but they love to buy. You need to show them the benefits of your product."

In its own direct mail efforts, Ripon uses a three-part prospecting program to generate awareness before a sales call. The recipient might have never heard of Ripon before receiving the mailing, says Hopp, so it helps to get them to take the call. Email supplements the direct mail efforts, with newsletters sharing industry news and current promotions. "Receiving something in the mail still drives action," he notes.

"Direct mail has always been great for driving traffic," agrees Goldsmith. "I can't imagine having a catalog today without URLs."

## NEW PIG'S SQUEAL

B2B cataloger New Pig, which markets supplies and equipment for cleaning up industrial leaks and spills, utilizes URLs heavily in its 500+ page annual "Pigalog," says Robert Cameron, marketing director.

The annual mammoth book comes out in January, and circulation has actually gone up in recent years, as the company has done more modeling to expand its target audience of industrial facilities, manufacturing plants, auto repair centers—"wherever someone might have a spill," he says.

Over the years, the content of the catalog—which is also available digitally at [NewPig.com](http://NewPig.com)—has been supplemented to include more information about how the products can be used, to help customers make decisions.

"We're featuring selection guides to help point the customer in the right direction, and we're also working more and more on branding, with funny images to promote the 'pigginess' of New Pig, as well as company news," says Cameron.

Monthly 132-page catalogs are also mailed to active and recently inactive customers, and a 68-page book is used to target prospects and inac-

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## B2B PRINT SPENDING STABILIZES: OUTSELL

Print spending is expected to stabilize this year, reversing a multi-year decline, according to Outsell's 2015 Advertising and Marketing Study.

Custom print spend will grow almost four percent to \$10 billion, as publishers focus on increasing their marketing services capacity. Data for the study was collected via survey in January, and combined with 10 years of trending data. Of the total 1,487 US respondents, 719 were B2B-focused marketers, while 768 were consumer-focused.

B2B digital marketing spending will increase 7.6% to almost \$77 billion in 2015. Website spending remains the largest category with \$29.1 billion in spending, according to Outsell's report. Ad spending on social networking sites will grow more than 15% year over year, but spending on companies' own social engagement exceeds social ad spend by \$1.1 billion. Email continues to maintain an impressive 11% share of B2B

marketers budgets, but its growth has dropped 1.8%.

Event and conference spending will increase by 8% in 2015, spurred by a need for professional training.

Breaking down spending by vertical markets shows that manufacturing, technology vendors, biotech/chemicals/pharma and professional services cite their own websites as the top ROI method of marketing, while financial services cited conferences.

The top marketing problem area varied by vertical market—manufacturing said applying analytics, while tech and professional services said evaluating ROI, biotech/chemicals/pharma said marketing analytics skills and financial said vendors were not solutions oriented.

B2B marketers will spend \$72.4 billion on direct-to-consumer marketing, bypassing established media companies. That represents more than 47% of total B2B advertising and marketing spending and has risen dramatically since 2010, when B2B direct-to-consumer spending was only \$53.3 billion. —BNV



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five segments. A tabloid version also goes out twice a year with updates.

With all the touches that go into making a sale today, the age-old question of attribution and quantifying catalog or direct ROI hasn't gotten any easier, Cameron admits. "We're a multichannel marketer, and we market many different ways, so we group marketing touches together and then look at ROI."

It can be tricky. For example, he says, if you look at new customers coming in through search, 70% of those customers received a New Pig catalog. "We can't measure the way we used to—catalogs need to adjust their metrics or they won't optimize their marketing spend."

New Pig has spent the last year and a half building a new marketing database, enabling it to roll out more integrated marketing campaigns and do things like coordinating email blasts with catalog mailings. "We didn't have the capability to do that until now."

Despite the increase in online marketing efforts, catalogs will likely always be a part of New Pig's strategy. "We'll always continue to optimize our mail plan with the marketing database and better models," says Cameron. "I could see where perhaps we might mail less into certain segments, but we're seeing too many match-backs between our online and offline marketing with attribution models." ❗

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**"I won't buy from anyone else"**

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New Pig's Pigalog includes detailed information about how the company's products can be used.

# Make a Statement

Take advantage of billing inserts to maximize your direct mail potential

**M**arketers are always looking for new ways to reach customers and improve brand experiences while, of course, delivering the greatest possible ROI.

But what if I told you that a department in your company is beating your marketing team in terms of customer engagement? In fact, their communications are viewed by 97% of your existing customers for an average of 2-5 minutes at a time. Think about that for a minute. Your marketing team has never created a Facebook post or even a television spot that attracted that level of customer engagement. No marketing team ever has.

So what is this unique medium and where is it created? Your customer bills and statements generated by your company's mail operation. If you are leading an omnichannel marketing campaign and you haven't talked to the person running your mail operation in a while, now may be the time.

Consider these facts:

- **24 billion billing statements were mailed in 2013 (the most recent year for which statistics are available).** Typically the percentage of customers requesting printed statements is between 60-90%, depending on industry, e.g. the U.S. inspector general's office analyzed three consecutive months of 2014 billing data for a major utility company and found that 91% of customers chose to receive their statements by mail.
- **The reasons why so many consumers continue to depend on paper bills and statements vary, but are usually related to one of four reasons.** Some want a hardcopy for their records, while some simply want the mail piece as a reminder to pay their bill. Others find information difficult to access and read online, and a growing number of customers have privacy and security concerns about online transactions.
- **The cost to produce more attractive, more personalized and more effective mail is cheaper than ever before.** It is likely that your mail operation has the necessary hardware and software to make it possible today.

You don't have to look further than your own mailbox to see which businesses are using bills and state-



ments as effective marketing tools and which are not. Open today's mail and compare your best and worst mail pieces. Are your billing statements in full color or black and white? Is the important information easy to find and understand? Does the mail piece include a personalized message, relevant coupon or offer that interests you? Does it include a PURL or QR code and entice you to link to a mobile app, a personalized interactive video or website for more information?

Now, compare the best of those pieces to the mail your company is sending to your customers. How do you stack up?

## 1. Are your bills and statements designed to allow for additional marketing messages? And are you making effective use of color?

The content and design of your bills and statements is critical to reducing customer confusion, which in turn lowers call center expenses and, more importantly, helps to ensure your business is paid on-time. Document design is also critical if you want to maximize the impact of your transactional mail piece and use it to deliver timely, relevant and personalized marketing messages. White space is important, as is the use of color and shading to highlight key information.

Think about the outside envelope as well. Print a personalized marketing message on the envelope, and your open and response rates will be even better. Studies show that seven out of 10 people are

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more likely to open a mail piece with color text and graphics on the front before opening mail pieces without these attributes.

**2. Are you working with your data insights team to target and personalize individual mailings? And do you have the capability to print personalized messaging on statements and envelopes?**

More than 90% of the data the world has ever created has been generated in just the last five years and the pace of acceleration is only getting faster. Successful marketers are using this data to create a more complete 360-degree view of their customers and tailoring the customer experience according to their customers' preferences and tendencies. This includes all touch points including mailings.

For example, leading mobile telecom companies are monitoring their customers' phone and Internet usage to provide more competitive rates and relevant offers. To help mitigate the impact of "bill shock" – a motivating factor that leads many consumers to switch carriers – these companies are using their data centers to warn consumers via text messages when they have exceeded their calling and data limitations. In the same billing cycle, they then use that information to print relevant offers directly on the bill, or billing envelope to encourage the consumer to move to a more suitable plan. In some cases they are including on the statement a link to a personalized interactive video (PIV) that uses real-time data

to highlight an opportunity. Today forward-looking companies are combining video technology with real-time data to deliver customers' billing statements, providing a sound and motion experience with the physical statement.

**3. Are all of your physical mailings fully integrated with digital channels, including websites, customer emails, mobile applications and social media?**

A consistent, personalized communications strategy across the entire customer experience is the goal of most marketers today. However, many companies still underutilize their physical mailings to deliver and reinforce the key messages for each customer.

It has been proven time and again that combining digital and physical communications increases response rates and ROI. In fact, the more channels you add, the better the results. A recent InfoTrends study found that response rates increase 45% when direct mail is combined with a landing page, email address and mobile marketing. —*Lila Snyder, president, Pitney Bowes Document Messaging Technologies*



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