

Chief Marketer Consumer Special Report

Marrying Direct Mail and Digital

Ideas for connecting your offline and online strategies for improved response and ROI

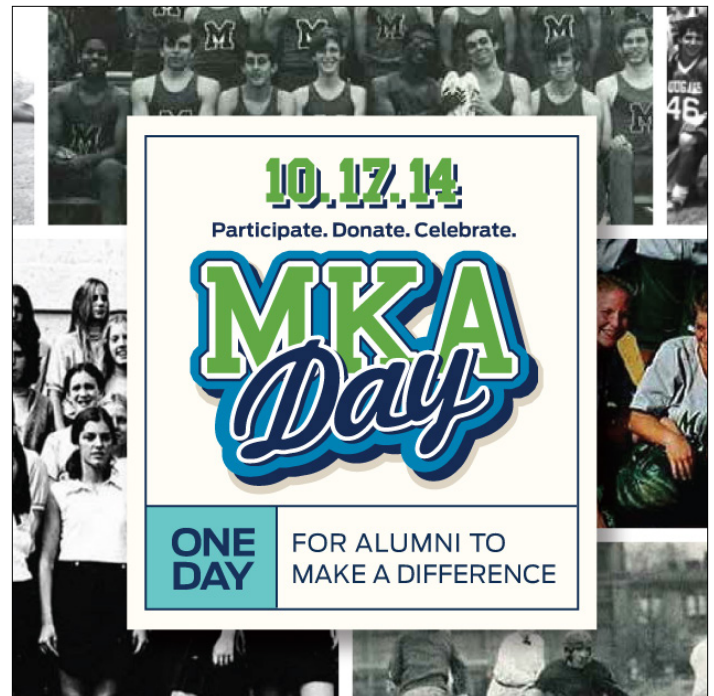
Paper and postage costs are constantly rising, but direct mail is still a vital part of many companies' marketing strategy. Integrating digital technologies into your plan can not only cut costs but drive better ROI.

For one university, the goal was straightforward. Montclair Kimberley Academy University wanted to develop and execute a fundraising campaign targeting alumni. The strategy was to build buzz and awareness leading up to one single giving date last October. The effort was marketed with a combination of print, email and social media touch points.

Two postcard mailings targeted alumni who had donated in the last five years and those who had given within the last year. Photographs of alumni from years gone by were displayed on the postcard to revive fond memories of their school days and encourage donations.

Personalized URLs drove recipients to a landing page that provided targeted and personalized information. Three email blasts deployed to all alumni that also contained the PURLS. A social media push on Facebook, Twitter, Instagram and YouTube were also in play. A staggered approach for the mailings and eblasts meant that alumni would receive communications about the "MKA Day" campaign through a different medium each week. Spectacular results ensued. The University surpassed its goal by 150%, with 460 donors resulting in more than \$220,000 raised.

"Combining direct and digital marketing is most successful when you play to each channel's strengths in a cohesive campaign," says Ryan Coté, director of marketing at Ballantine, the print and digital direct marketing company, which ran the "MKA Day" campaign.



A fundraising postcard mailing for Montclair Kimberley Academy University

DIRECT MAIL SPENDING UP

A number of factors are impacting a renaissance of direct mail, including spending, which was up in 2013 to \$44.9 billion, according to the Direct Marketing Association.

The amount of direct mail increased year after year since the recession ended in late 2009 to 87.3 billion pieces in 2013, a 56.2% share of all mail. However, the direct mail that mailers are pumping out now is very different with new production, personalization and formatting options that make the pieces

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MAIL'S CONTINUED INFLUENCE

IT PLAYS WELL WITH OTHERS, BUT DIRECT MAIL CAN STILL FUNCTION AS A STAND-ALONE CHANNEL

Ironically, while the evolution of digital has spawned integrated or omnichannel marketing strategies, direct mail remains largely unchanged. There might be exceptions out there, but it remains a stand-alone channel and an excellent and highly measurable solution for customer acquisition and retention.

To better understand this, it's important to understand the difference between integrated and omnichannel marketing. Both approaches have always been around. The emergence of digital—the Internet and mobile—has dramatically blurred the ability to empirically attribute consumer actions back to originating media. As a result, integrated and omnichannel have become in vogue terms.

WORKING TOGETHER

Integrated marketing is a strategy where one channel or tactic, like direct mail, is dependent on another, like television, search or display, to be fully effective. By this definition, direct mail remains mostly stand-alone. Other marketing channels don't affect its measured performance. Assurance Wireless, a Lifeline assistance program offered by Sprint, was a heavy and highly effective user of direct mail and television for customer acquisition. Because the Assurance campaign was executed in local markets, it was able to measure the effectiveness of direct mail with and without television, radio and print by designated market area. Interestingly, direct mail performed consistently from market to market whether or not television, radio or print was running at the same time.

In this example, direct mail was not part of an integrated strategy. It was however, part of an omnichannel strategy designed to maximize efficient customer acquisition. Television, radio, print, direct mail and digital were all implemented and measured and optimized independently. That's the definition of omnichannel: many channels working concurrently against the same marketing objective. Direct mail can be a robust, empirically measurable part of an omnichannel strategy.

A recent campaign from Optimum further exemplifies direct mail's stand-alone stature. Over a few days, I received three direct mail pieces from Optimum, each offering the same Triple Play package for \$84.95 a month. Although the colors and headlines for each package varied, the offer was identical and so was the call to action (CTA). And, the CTA underscored direct mail's role as a stand-alone channel for Optimum. Here's a technology company, promoting high speed Internet, high definition television and VOIP phone service, and the only way to respond was by phone. None of the packages included a URL at which the recipient could respond and sign up. Optimum chose to run a direct mail campaign that was completely independent of a digital component.

This gets to the point of integrating direct mail with digital marketing. When the two channels are brought together, direct mail is the acquisition vehicle and digital is a response vehicle, usually coupled with a phone option. This is the basic approach of the airlines affinity credit cards. The mail packages direct the respondent to fill out an application or to call a toll-free phone number. In this case, digital supports the mailing as a response mechanism, a significant cost reduction compared to a phone call. A branded Google search of "United Mileage Plus" generated no paid ads. Digital wasn't a marketing channel. In this case, it was a less expensive and more efficient response/fulfillment option to the telephone or mail.

ROI ADVANTAGE

As a stand-alone channel, direct mail offers one extremely important advantage. Its return on investment can be measured precisely. This is very important for testing. By directing respondents to unique phone numbers, or in the case of the United Card, to unique URLs as well, packages with different copy, different graphics, colors and sizes, can each be tested and measured for effectiveness. Top performing controls can then be scaled.

Identifying creative that works not only benefits the effectiveness of the direct mail campaign, it can improve the performance of all marketing channels. One of the great direct marketing tenets is that creative is transferable from one media to another. When you identify top performing TV creative, it can likely be translated to direct mail, print, radio, even digital. In fact, top performing creative from any of these channels, should be transferable to any of the others. By doing so, the channel, not the creative, becomes the variable in the test.

Assurance Wireless executed this very well. Their direct mail, print, television and radio creative all used the same headlines, copy points, offers and graphics. It was an extremely well synchronized omnichannel marketing campaign. By adapting proven creative from one channel to another, they were able to methodically test and scale the campaign and maximize and accelerate their acquisition efforts.

It's hard to pinpoint new trends in direct mail. Cost, which includes, lists, printing, postage and creative, is still calculated on a per thousand basis. Effectiveness is still measured by response rate and cost divided by the number of respondents. It's an easy ROI to calculate.

The most common mailers today seem to be simple, official looking number 10 envelopes—the normal business envelope. If a mailer is performing, adding color, heavier stock, or going to a larger size, can effectively draw consumers' attention and perform well. But the added cost of all these elements has to be made up for by improved response. —*Dick Wechsler, CEO and creative director, Lockard & Wechsler Direct*

Triple Play 2 Yr Price Guarantee

\$84.95
mo/2 years

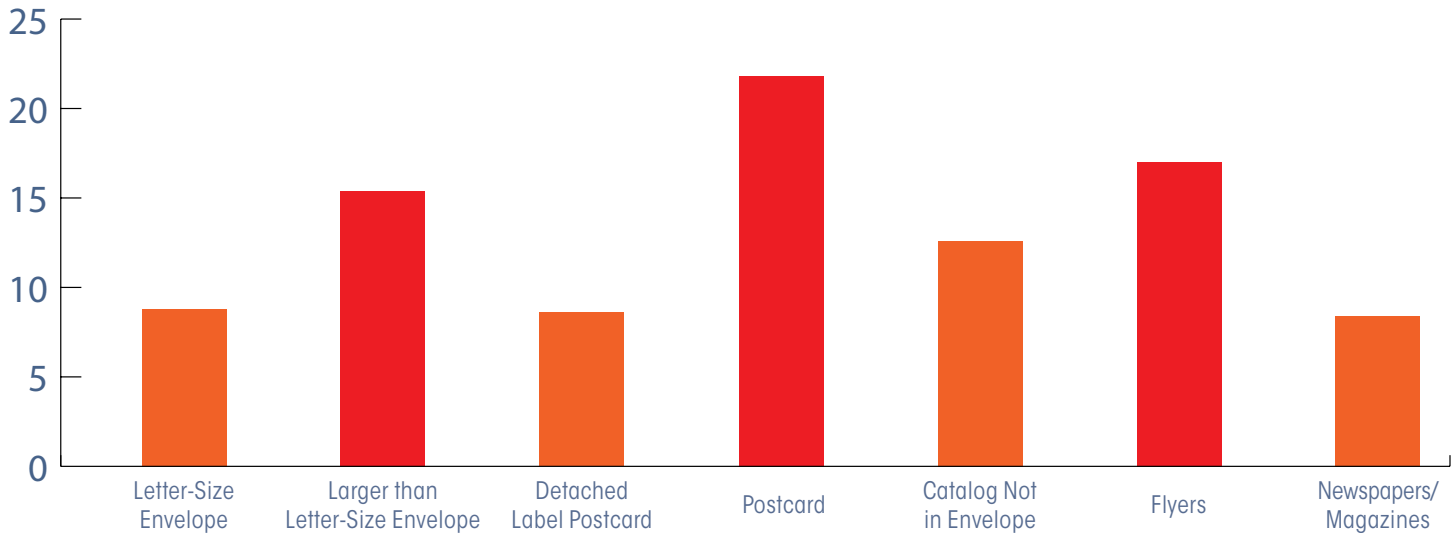
Free Multi-Room DVR for 1 year
Free speed upgrade for 6 mo

Act Now

optimum.

WHAT GETS THE BEST RESPONSE

PERCENT INDICATING WOULD RESPOND (IF MAIL PIECE CONTAINED ADVERTISING OR REQUEST FOR DONATION)



Source: USPS Household Diary Study, 2013.

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much more relevant and interesting to the recipient, the DMA found.

Among mail piece types, postcards are most likely to be read (56%). From 2011 to 2012, the most recent figures, the percent of response to direct mail has increased with people ages 35 to 44, in some cases dramatically. For example, people ages 75+ had a 9.3% response to standard marketing mail in 2011, compared to 14.8% in 2012. The percent decreased with those ages 34 and younger.

CUTTING COSTS

Postage costs, of course, are a major problem for direct mailers. But there are ways to cut those costs, as well as innovative ideas to get noticed among the stacks of mail people receive at home.

Co-production integrates multiple clients' mailings—letters and flats—into the same mailing to gain postal discounts.

"These options may add time, but can reap a good reward on postage," says Vicky Dansereau, mailing specialist at Ripon. "Put an extra week into the production time so that you can still meet your in-home dates."

Make sure your list is optimized so that every piece counts. The postal service is about to assess fees on mail that is not presented correctly. For example, the information in the full service barcodes on pieces must match the data on file with the post office or you could get fined.

Many mailers are looking at new—or innovating

old ways—to be noticed when their pieces hit consumer's mailboxes because every piece of mail gets roughly three seconds of their attention.

"We have a lot of clients looking at different ways to catch attention," Dansereau says. "One mailer took a portion of the list and made it look as if it were hand addressed and hand stamped. Mailers are grasping at ways to take those three seconds and make sure their piece gets looked at."

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Combining direct mail and email can improve response

TOP 5 TIPS IDEAS FOR BETTER INSERTS

Keep or toss? When a consumer opens a piece of mail or a package, your insert has but a few precious seconds to capture their attention or be relegated to the recycling bin. Consider the following key elements to get your insert piece noticed.

1. **Offer** The offer should be featured on both the front and back of the piece for maximum visibility. Two-tiered offers are more attractive to consumers. For example, 20% off + free shipping will outperform a free shipping only offer from a response perspective. However, split testing is the only way to determine how each offer performs at the ROI level.

Incorporating a purchase hurdle (ex: 20% off \$50 or more + free shipping) is an effective way to attract a less promotional, more qualified buyer and achieve a higher LTV.

2. **Visuals** Your insert piece should be brand-appropriate, featuring complementary colors and your company logo displayed prominently.

Include a clear photo of your product, relying on data whenever possible to determine what product images have driven the highest level of sales in other media channels, on your website or in your catalog.

If your offer includes a premium or free gift, be sure to include a photo of this as well to further entice consumers.

3. **Copy** Once you have the consumer's attention and interest, it's imperative that your copy generates the intended response.

Body copy must effectively demonstrate why the consumer needs or, better yet, must have your product or service. Explain in simple, straightforward terms how it will benefit them or enrich their lives, and why they should purchase this product from you and not your competitors. Focus on content that is quick and easy to absorb. Visual elements such as bullet points, bolded or highlighted copy, bursts, arrows and faux post-it notes can be used in moderation to call out top selling points and areas of differentiation from your competitors.

4. **Call-to-Action** Provide a compelling reason for the consumer to make an immediate purchasing decision.

Commands such as, "Act Now!," "Call Today!," "Hurry!," and "Don't Delay!," as well as the use of "Limited Time Offer!" and expiration dates work to drive impulse purchase behavior.

5. **Reply Devices** Feature your 800 number, URL and promo code on both the front and back of the piece in font that is prominent and clearly legible. When targeting an older audience, an order form or BRC is recommended.

The order form should be simple and user-friendly with enough space provided for each element. Include boxes for credit card number and expiration date, and make sure your company name and return address is clearly indicated on the order form itself.

The best way to ensure that your form is easy to use and captures all the necessary information is to go through the motions of placing an order, yourself.

Keeping these best practices in mind when developing your next insert media creative will position your campaign for success. —Joyce Beggs, vice president list brokerage & media, PlusMedia.

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"The postage regulations have a hard impact on what mailers can and cannot mail and get the cheapest rates," she adds. "There are limits on sizes and shapes and paper stock so the trick now is to make something that's postal legal and get the best discounts you can get and still get someone's attention without breaking the pocketbook."

For example, a simple change like updating the size of the envelope, using folds to make the piece interactive or deploying postcards that can simply be flipped over to read the message will make the pieces more visible. Bold colors, large images and big fonts also help, as does mining data to understand as much about the customer's lifestyle and passions as possible to customize mailings.

"THERE'S A LOT YOU CAN DO USING DATA AS A REAL STRONG TOOL TO TIE YOUR MAIL PIECE TO CERTAIN THINGS YOU KNOW ABOUT YOUR RECIPIENT."

—VICKY DANSEREAU

"Most people get bills in the mail so you want the piece to stick out farther than the bills do," Dansereau says. "Use different colored pieces, depending on who's getting the piece. For example, a vendor for a yarn company that has one customer who always buys thick yarn can make an impact by using an image of thick yarn for that mailing. There's a lot you can do using data as a real strong tool to tie your mail piece to certain things you know about your recipient."

THE PROMISE OF PURLS

PURLs, or personalized URLs, puts the person's name in the URL and directs them to a personalized landing page where copy and images can be swapped out for a more customized look. A response form on the site can be prepopulated with the data from the mail file. PURLs work best for capturing leads, not necessarily pushing a sale.

"Previously, it was mainly used with direct mail," Ballantine's Ryan Coté says. "Now, it's more and more common that we do direct mail combined with an email piece both pushing the PURL just to get that extra bump in response."

For its non-profit client MAG America, Ballantine bridged direct mail and email by announcing

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the direct mail piece was coming with two email blasts, both driving the recipient to a PURL. One blast deployed the day the direct mail piece mailed, the second one a week later.

An alternative way to use a PURL in direct mail is with a redirect to whatever website or landing page URL the brand or client wants.

"You know who visited their PURL and who is actually engaging with that direct mail piece. It creates a list of warm leads," says Matt Coté, director of business development at Ballantine.



Marketers can also add remarketing code to a PURL landing page. After a visitor hits the landing page, he or she gets tagged with a cookie and then, as a result, they're shown the brands' banners as they browse the Internet on sites like Pandora, Forbes and Weather.com.

"They're going to the website, they might not respond, but they'll see your banners after they leave and hopefully they'll click the banner and be retargeted back to your site," Ryan Coté says.

A new and innovative way to retarget is by appending IP addresses to a direct mail postal file. As a result, you're not relying on website visitors getting tagged with cookies, instead you're retargeting the IP addresses. The IP match success rate is currently about 50% and the number of banner impressions that each person will be served can be customized.

"It's an easy way to give your direct mail a boost, because you've got this piece going out and you're able to serve about 50% of the same people banner ads that reflect the same campaign," says Ryan Coté.

An important step is to coordinate all of the creative with similar messages, colors and formats for a cohesive theme that becomes recognizable to the target.

Another digital integration to consider is sending direct mail to a targeted niche, like lawyers in a specific set of zip codes and then serve Facebook ads targeting lawyers in those same zip codes.

"You can drill down specifically with Facebook ads to mirror the targeting of the direct mail piece," Matt Coté says. **!**



Patricia Odell
Senior Editor, Chief Marketer
podell@accessintel.com
@CM_PattyOdell

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