



Augmenting Digital Marketing with Direct Mail

6 Tips to Boost Response Rates in 2021



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Introduction

Welcome to Augmenting Digital Marketing with Direct Mail

With so many options available to access information today, it is important to know how to reach consumers efficiently. Cutting through the clutter can be difficult to do, but with the right tools, marketers can make their messages stand out. Knowing how to use the correct combination of tools and strategies can drive significant results in terms of sales and brand building.

Augmenting Digital Marketing with Direct Mail will show you how adding new tactics to your digital strategy can drive sales and increase ROI by providing a deep dive on specific executions and real case studies. In this document, you'll learn about the importance of a multichannel campaign, where direct mail can fit into your strategy, new direct mail marketing technology, and specific direct mail opportunities to increase the efficacy of your campaign.

The background image shows a person's hands typing on a laptop keyboard. The laptop screen displays a data dashboard with a bar chart at the top, a line graph in the middle, and a pie chart at the bottom. The text 'I. Understanding your Audience' is overlaid on a dark blue rectangular area on the left side of the image.

I. Understanding your Audience

How do buyers make purchasing decisions?

Most marketers understand the impact of using demographic, firmographic and behavioral data to micro-target the best segments for their offer. It's also critical to remember that both consumer and business buyers make purchase decisions based on a variety of factors. Certainly, the tangible elements of cost, value, and need play an important role in the funnel, but research suggests that 90% of decisions for purchases are based on emotion. "This idea is of great importance because it helps us realize that human beings are not as logical as we might imagine. And understanding this has significant implications for marketing, sales, and branding."

For example, by only marketing the attributes of your product, you will likely generate lackluster results. And the poor results you receive are due to the fact you are completely missing the subconscious, human element in the decision-making process."¹ If humans are motivated by emotion, marketers need to be able to tap into that well to become top of mind when tangible purchase decisions are being considered. In order to evoke those emotions, marketers need to be able to reach people throughout the day, whether their target audiences are actively shopping or not.

TIP 1

Learn everything you can about your audience's needs, purchase behavior, buying triggers, and media preferences.

II. The Importance of an Integrated Marketing Mix

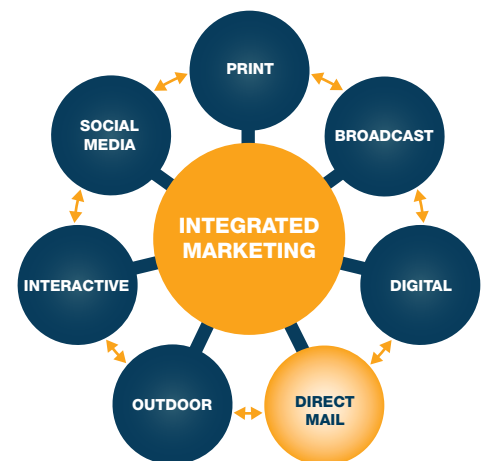
Whether you live in the city or the ‘burbs, drive to work or telecommute, spend your days indoors or outdoors, or prefer solitary activities to group ones, you’re likely aware that you are inundated with messaging before you’ve had time to reply to your first email. As a marketer, you know the importance of reaching the right person in the right place at the right time. Increasingly, this approach is less straightforward to predict, as consumers’ habits of absorbing information continue to evolve. It’s important to recognize who your customer is, how they consume information, and how to center your communication approach around them to align marketing objectives with business goals.

Now more than ever, consumers rely on digital media and information sources to research products and services.

Brands with exceptional online strategies and presence have an advantage, especially if they can rank high in the consideration set against competitors. **However, online media suffers from its own success.** Why? Marketers create so much online content, display ads, social ads, video, and email that it becomes difficult to break through the clutter.

It is essential to augment your digital presence with traditional and offline communication strategies such as print, outdoor, social, broadcast, and direct mail. Creating a multitouch communication strategy ensures that your brand is top of mind throughout the consumer’s decision-making process. It also offsets consumers having different consumption preferences.

ADDING DIRECT MAIL TO YOUR MIX INCREASES RESPONSE UP TO 35%

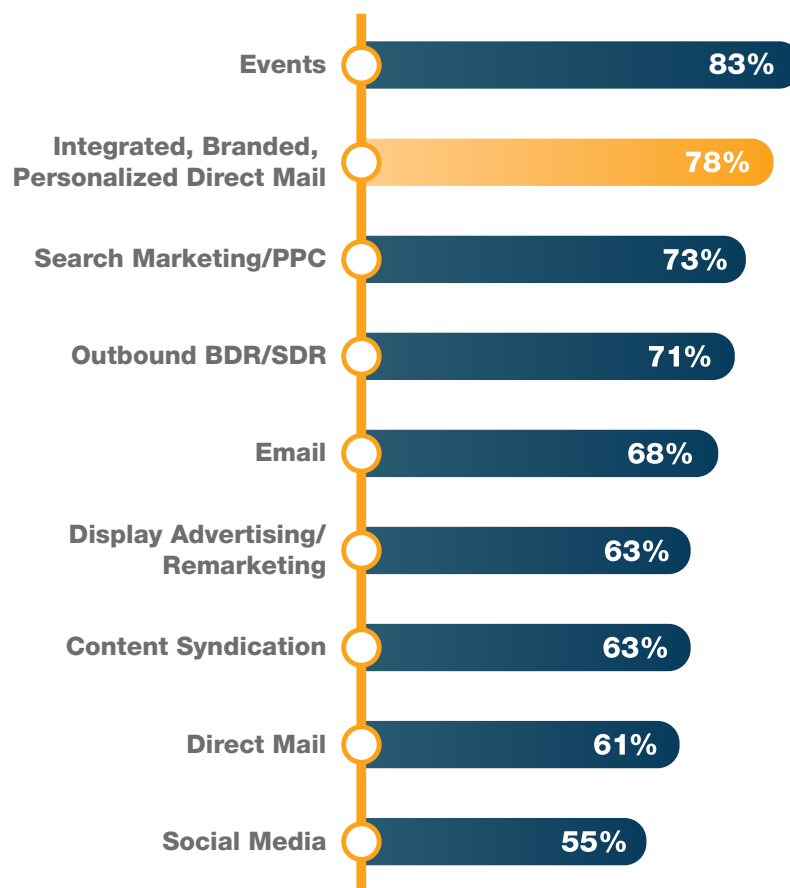


TIP 2

Integrate online and offline strategies to optimize your campaign results.

With an integrated campaign, you can reach the radio-listening, newspaper-reading, billboard viewers along with the podcast-listening, and working from home internet junkies. Different brands will have a variety of consumer segments enter their sales funnel in many different ways. It is important to understand the customer journey in order to identify opportunities for interactions with your brand. Alignment across sales and marketing and transparency within different channels and media/marketing partners is critical.

PERCENT EFFECTIVE OR VERY EFFECTIVE²



Source: Demand Metric



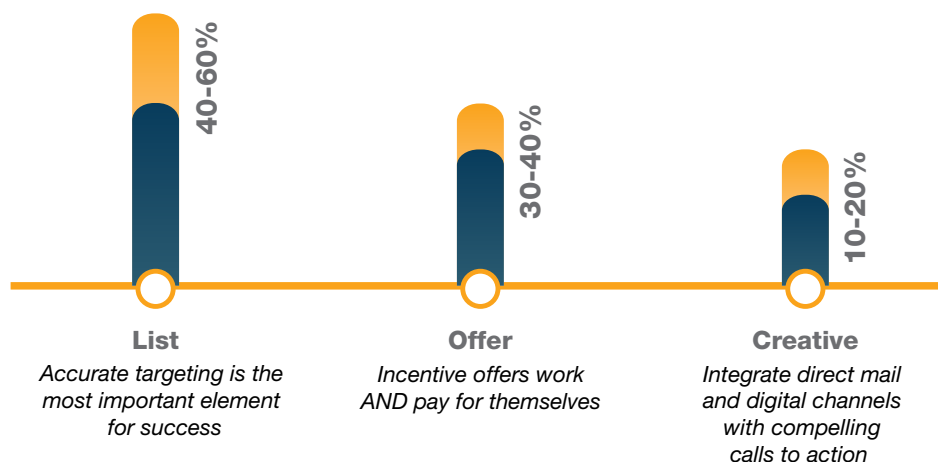
III. Why and When to Use Direct Mail

One of the unique features of direct mail is that it can enter a prospect's home and be present with them for any amount of time. In fact, the average lifespan of a direct mail piece is 17 days versus just 2 seconds for a marketing email.³ If key strategic elements are applied to the mail piece, it can get stuck to the fridge or live in a to-do pile, as opposed to meeting a sad fate in the trash. Direct mail offers several advantages towards achieving marketing objectives. When combined with effective strategy and other tactical elements, direct mail can be instrumental in driving the success of a campaign.

MARKETING OBJECTIVE	DIRECT MAIL ADVANTAGES
Build Brand Awareness	Efficiently targets specific audiences to deliver high impact messaging and offers to qualified prospects. While more costly to send than email, response rates and conversion rates are dramatically higher (as much as 20x). ⁴
Demand Generation	Consumers and businesses often don't search for items they actually need, such as life insurance, banking services, lawn care, roofing, clothing and so on. Effective offers delivered by direct mail stimulates demand and engagement for your products and services.
Lead Generation	Works well as an entry point for long sales cycles (B2B). Direct mail's high retention rate can open the door for future conversations.
Existing Customer Cross-Sell	Works well for adding to existing relationships (marketing loans to bank depositors). Customers will pay attention to your mail piece as they are connected to your brand.
Account-Based Marketing (ABM)	Using direct mail is more powerful than e-channels for targeting specific individuals in corporations. Done well, direct mail delivered to multiple contacts in an organization can create awareness, engagement and faster closes.
Break Through Clutter	Unlike online tactics, direct mail can take on many different, attention-grabbing formats – from oversized postcards to 3D mailers. This is why the average response rate for mail is 4.4% vs. email's average of 0.12%. ⁵

The time-tested power of direct mail

KEY DRIVERS OF SUCCESS



Three elements drive direct mail success:

- ▶ A finely-tuned mailing list
- ▶ An enticing offer
- ▶ Compelling creative

Agencies that specialize in direct mail understand how to develop campaigns that leverage these key drivers. As with any marketing channel, messaging that reaches carefully targeted prospects with a strong offer inspires action. Direct mail offers the unique advantage of tangibility. Recipients can hold the offer in their hands, save it, and emotionally connect with it. This is why mail creates higher recall than online messaging received in a cluttered digital environment.

The direct mail piece should be memorable to the customer. The piece should stand out in the mail pile, perhaps through an oversized format, a textured paper stock, or a protective poly bag, to name a few. Headline copy should convey urgency to open it, whether it's a feeling of exclusivity, a limited time offer, or some other appeal to emotions.

TIP 3

Direct mail works especially well for verticals that need to create demand for their offers, such as banking, credit cards, fundraising, insurance, home improvement, communications, retail (catalogs), and many others.



IV. Modernizing Direct Mail

Integrating direct mail with digital channels

According to a study conducted by Demand Metric, when direct mail is integrated with multichannel campaign technology, it can be extremely effective. 80% of study participants report that direct mail improves multichannel campaign performance.⁶

Recent advances with data science, production technology, and delivery logistics allow direct mail to work harder than ever. This section explores techniques to integrate direct mail with other media to improve performance, including:

- ▶ Personalization
- ▶ New postal tracking tools
- ▶ Matching postal addresses to IP addresses
- ▶ Triggered direct mail
- ▶ QR Codes

TIP 4

Test something new with every marketing campaign to maximize your long-term ROI.

Personalization

Lets your prospects know you understand their situation and needs.

Personalization in direct mail allows the marketer to connect with the recipient on a deeper level. Frequently, a call to action on a direct mail piece is to drive a user to a campaign's landing page. An innovative way to get your future customer to engage is by personalizing that landing page.

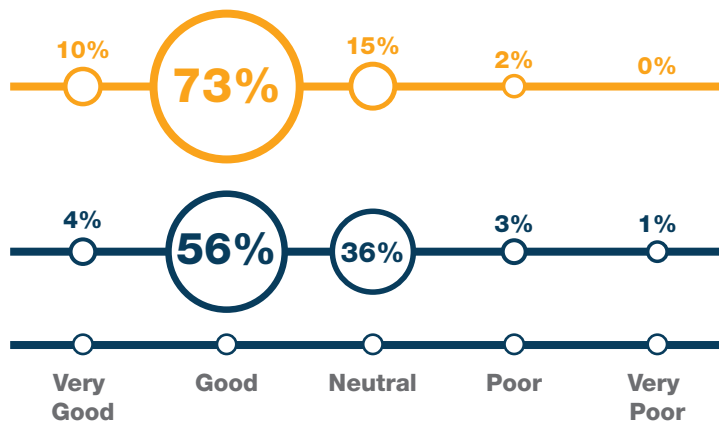
PURLs can be generated automatically and are often nothing more than adding a username or number to the end of a web address. When the user goes to the address, the information on that page is custom populated to appeal to them and their preferences. With the right AI on your side, these landing pages and the resulting customization can be done seamlessly, from the moment a new IP address reaches your site to the moment they receive your mailing and type in the associated PURL.



RESPONSE TO MULTICHANNEL CAMPAIGNS BASED ON DIRECT MAIL PERSONALIZATION⁷

● **Direct Mail Personalization: A Lot To Completely**

● **Direct Mail Personalization: None To a Little**



Source: Demand Metric



QR Codes

Simplifies the response process for your audience.

Another way to personalize a mail piece is to include a Quick Response Code. A QR Code is a matrix bar code that is read by photographing it with the camera of a smartphone or other mobile device that is equipped with a bar-code reader. QR Codes allow you to track user data, such as when and where a scan was made, and what the user's next steps were after scanning.

QR Codes can enable a user to access content, download coupons to their device, interact with your brand on social media, or simply visit your landing page. As a marketer, you get the metrics on understanding what's important to your customer.



**DID YOU
KNOW?**

Most newer smartphones have QR Code readers built right into the camera. As a result, while QR codes have been around for 23 years, many people are just learning to use them now. The codes have become an integral part of apps like Venmo and Paypal, but many businesses use them to enrich their clients' experiences.

Informed Visibility®

Lets marketers know exactly when direct mail will be delivered to specific households.

An innovative new service called Informed Visibility comes to direct mail marketers courtesy of the USPS. This service allows mailers to track their mail in near real-time. This end-to-end tracking service will keep an eye on any type of correspondence you want, from letters and containers to postcards and bundles. This near real-time tracking gives you the power to know just when a piece of mail will reach its intended target.



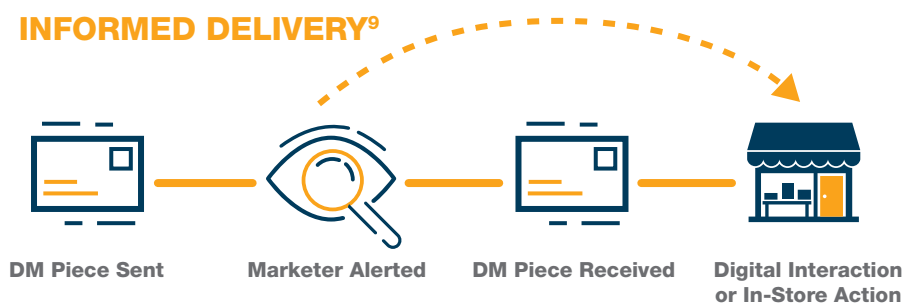
Source: United States Postal Service

This can be helpful in letting your marketing and sales teams know when to trigger targeted online media and place follow-up sales calls. When you send a piece of mail in response to online activity, for example, knowing when that mail arrives is useful as you build your digital presence as a response. When mailing in support of an event or sale, it helps to know that your mail is reaching its audience in time for the promotion to be effective. This can also aid in the staffing of stores and call centers when higher volume is anticipated.

Informed Delivery®

Alerts consumers as to what's in today's mail, and lets them respond right away.

Another USPS offering is Informed Delivery®. With Informed Delivery, consumers can opt to receive a daily email from the USPS that provides an image of the mail pieces scheduled to arrive in their mailbox that day. Additionally, the USPS allows marketers to place a banner ad alongside the image of your mail piece within the consumer email. The mail piece and banner will appear at the top of a customer's virtual mail pile. The banner ad can link through to the campaign landing page, and your target can receive information on your offer before even receiving the mail.



Source: United States Postal Service



The banner ad links to your campaign landing page, and your target can respond to your offer even before the mail arrives.

Integrating Direct Mail with Digital Channels

CASE STUDY: EASTERN BANK ONLINE BANKING

CHALLENGE

Eastern Bank sought to transition its 140,000 retail online banking customers to an upgraded online banking platform. Customers in wave 1 who received an email notification about the upgrade had little to no recall that the upgrade was taking place. As a result the call center received a huge influx of calls from upset customers. Eastern Bank engaged BKM Marketing to improve the customer experience, set expectations, communicate the benefits of the new platform, and minimize the amount of customer questions about the change.

SOLUTION



- ▶ **Email:** Increased email frequency to four drops.
- ▶ **Direct Mail:** Added two direct mail touch points to support email communications.
- ▶ **In-Branch Materials:** Helped to promote and raise awareness of the new online banking platform.
- ▶ **Online Hub:** Landing page enhancements with an online hub experience.

RESULTS

The enhanced campaign yielded **a 24% caller decrease from the first wave** and customers who did call with questions quickly recalled receiving advance communications.



IP Address Matching and Targeting

Places online ads on household devices at the same time that mail arrives.

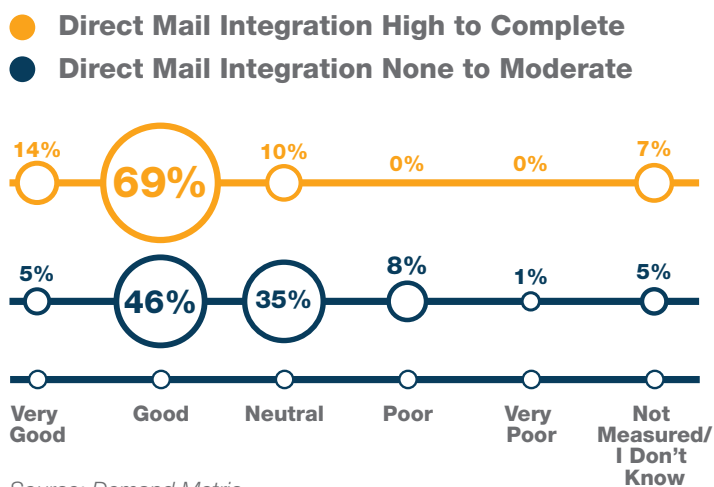
Modern tracking software makes it possible and easy for companies to track a user's IP address – a number that identifies the unique network connection at a household or business. Most of us are already aware that this can happen with cookies and other digital footprints. However, you can take this even further: not only does this let you monitor the activity of a specific user on a particular machine, but you can also match that digital IP address to a user's physical address and send them a direct mail piece.

IP Matching and Targeting Enables Marketers to:

- ▶ Understand what prospects to contact
- ▶ Target a prospect when they are in the sweet spot of a sales funnel
- ▶ Create a compelling offer based on interests and activities

By integrating address matching with Informed Visibility®, you can track the mail as it reaches the mailbox. Once it reaches the prospect, you can add an online experience reinforcing that offer ready to go, creating a very effective one-two advertising punch. Make sure that your digital follow-through focuses on the offer and matches the direct mail in overall look and tone to help reassure the buyer with an integrated, seamless pitch.

ROI OF MULTICHANNEL CAMPAIGNS BASED ON INTEGRATION OF DIRECT MAIL WITH MARKETING TECHNOLOGY¹⁰



Marketers can also build out a display campaign that matches IP addresses to physical addresses on a data driven prospect file. By matching addresses and serving ads to users programmatically, marketers can reach qualified prospects on high profile sites at a low cost. When direct mail is fully integrated into campaign strategy, it can have a tremendous effect on ROI.

CASE STUDY: LAWN DOCTOR DIRECT MAIL WITH IP TARGETING

CHALLENGE

Online advertising campaigns (including Facebook and Instagram) often suffer from imperfect targeting, creating a lot of wasted marketing budget. On the other hand, direct mail offers the advantage of near-perfect prospect targeting. Recently two Lawn Doctor franchises tested the impact of adding targeted banner ad placement, reaching the exact same households as their direct mail program.

SOLUTION



Direct Mail + Target Online Banner Ads. Starting with an identified mail list, IP address and smart device ID's (mobile) were mapped to the mail list. This mapping enabled online ads to be delivered ONLY to the mailing list, creating an additional online touch to direct mail. Targeted online ads were served to homeowners on the mailing lists one week prior to the letter packages arriving and continued running two weeks afterwards.

RESULTS

The impact of testing targeted banner ads in combination with direct mail **demonstrated an 11 - 44% lift in sales compared to direct mail alone.**

Triggered Direct Mail

Let's imagine a scenario where you've sent out personalized mail, created a custom landing page, and your lead still isn't ready to commit. Does this mean you're done? Of course not. And while you probably have a lot of ways to follow up, don't forget that direct mail should also play a significant role in what comes next. You can easily add individual or low-quantity mailings to your marketing strategy that will activate when certain situations develop. Today, advanced mailing technology can send highly-personalized mail to engaged buyers within 48 hours. You can often have a new piece of mail on its way within a day or two.

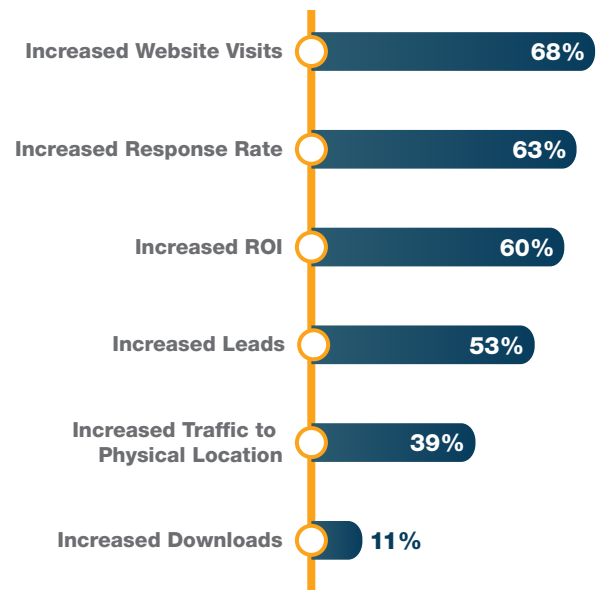
So, what kind of "triggers" does a near-instant direct mail piece create an outstanding return on investment for? Examples include:

- ▶ When a prospect in your database revisits your website
- ▶ When a customer has abandoned items in their cart
- ▶ Nudging prospects if you typically have a long sales cycle
- ▶ A thank you note following a sale
- ▶ Reminders for seasonal purchasers

Triggered direct mail works best when you have a CRM system such as HubSpot or Salesforce. Many vendors have direct API's with CRM platforms that help automate capturing trigger events. Some are so advanced, you can send these low-quantity, high-impact mailings as easily as sending an email. These platforms can automatically pull specific images of a product or extend an additional discount to help close sales.

And then, once that mail is on its way, remember to follow up by phone and/or email.

PERCENTAGE INCREASE OF ACTIVITY WHEN COORDINATING DIGITAL & DIRECT MAIL¹¹



Source: United States Postal Service

TIP 5

Take advantage of marketing technology in order to better reach and understand your audience.

V. Environmental Considerations

Yes, direct mail can be eco-friendly! Any smart marketer would be remiss not to consider the topic of sustainability and environmental impact when considering a direct mail campaign. The obvious first step would be to start with recycled paper stock or one with higher post-consumer recycled content. Additionally, paper manufacturers have the option to become certified by the Forest Stewardship Council (FSC). An FSC certification ensures that paper products come from responsibly managed forests that provide environmental, social and economic benefits.¹² There are additional steps you can take if FSC certification isn't available through your current printing partner.

Another option is to consider what materials are going on your stock. Argi-based (soy or water) inks are an alternative to toxic ink that is difficult to strip from paper, which would make the paper difficult to recycle. Opting for a non-toxic ink is a great way to increase the recyclability of your mailing or other marketing collateral. Adhesives can also be difficult to strip away, so if the integrity of your mail piece isn't compromised by not using one, don't!

TIPS TO MAKE YOUR CAMPAIGN MORE ENVIRONMENTALLY FRIENDLY¹³



▶ **Regularly update and improve your mailing lists** to limit duplication and waste.



▶ **Use research to effectively target your customers.** Folks who live in apartment buildings, for example, probably don't need lawn services.



▶ **Allow customers to opt-out of your mailings** to ensure you're not sending them unwanted mail.



▶ **Print on both sides of the paper** to save resources and reduce mailing costs.



▶ **Encourage your customers to recycle the mailing** once they've read it, and tell them how you made your mailing as green as possible.

Source: United States Postal Service

TIP 6

Be Responsible! Target efficiently and minimize waste.



VI. Key Takeaways

Direct marketing, both digital and offline, continues to rely on the same success formula as it did 50 years ago. Send the right offer to the right audience in a compelling way, and you will succeed. Advances in data management, behavior tracking, USPS tracking capabilities and production timelines favor adding direct mail to dramatically increase response rates and help marketers grow their businesses.

Here's a summary of the tips scattered throughout this white paper. Follow these best practices and measure the increase in your marketing effectiveness.

- ▶ **Learn everything you can about your audience's needs, purchase behavior, buying triggers, and media preferences.** The most creative and impactful strategies start with understanding the emotions and motivations behind the decision making process.
- ▶ **Integrate online and offline strategies to optimize your campaign results.** Utilize display advertising, email, print, outdoor, social channels, broadcast, and direct mail.
- ▶ **Direct mail works especially well for verticals that need to create demand for their offer,** such as banking, credit cards, fundraising, insurance, home improvement, communications, retail (catalogs), and numerous others.
- ▶ **Test something new with every marketing campaign to maximize your long-term ROI.** Once you have your list and offer testing fine-tuned, consider testing new personalization elements, USPS Informed Delivery and other tactics to further improve your ROI.
- ▶ **Take advantage of marketing technology in order to better reach and understand your audience.** There are a variety of tools available in order to help you target more efficiently, and learn about your audience's habits and behaviors. Add enhancements like IP address targeting, USPS Informed Delivery and QR codes to provide your audience additional ways to respond to your direct mail.
- ▶ **Be Responsible!** Target efficiently and minimize waste. Modern targeting and production practices can limit direct mail quantities, improve response rates, and achieve surprisingly low net carbon impact.



End Notes

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About BKM Marketing

BKM Marketing integrates direct and digital marketing to drive stellar B2C and B2B marketing results for banks, home services companies, and other marketers. In addition to helping clients develop multichannel strategies and award-winning creative, we manage over 100 direct mail programs every year.

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