

WHY DIRECT MAIL CONTINUES TO DRIVE MULTI-CHANNEL STRATEGIES

Tangibility plays an essential role in today's communications mix



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INTRODUCTION

Against 2017's backdrop of steady growth in digital media and shrinking traditional measured media, direct mail remains relevant with a necessary component to the communications mix: tangibility.

Physical reality and accountability make direct mail the most easily measured and controlled sales medium of all marketing efforts. These advantages often lead to optimized targeting, maximized reader cognition, strengthened brand recall, and improved digital adoption.

The key to its successful inclusion in your next campaign?

Data-driven customization. Integration. Speed-to-market.

2017 DIRECT AND DIGITAL MEDIA EXPENDITURES

Today, it's generally understood that digital media expenditures will continue to grow and soon overtake the dominance more traditional media has long held.

The Winterberry Group¹ reports traditional measured media such as TV, radio, magazines, outdoor and newspapers at \$118 billion, down 3.1% for 2017. Against this, all digital media was up 16.6% to \$89 billion. What also occurred last year was an additional \$94 billion in other offline expenditures, including \$43 billion from direct mail — which was actually down 4%, a retreat from the election bubble of 2016.

It's also worth noting in the local advertising market, direct mail expenditures of \$37 billion rank first with a 25% share, ahead of local TV and online services.²

THE PHYSICAL REALITY OF MAIL

Quite predictably, the direct mail community has stepped up research to understand the unique effects that direct mail has over its more virtual channel competitors, most notably, digital and online media (e.g., search, display, social media, text and email). The findings are insightful, and point to the physical impacts of mail.

Using the electronic tools of neuroscience – EEG and eye tracking to execute brain scans and perception – the Canadian neuromarketing firm TrueImpact Marketing³ determined direct mail is:

- Easier to understand and more memorable than digital media
- Far more persuasive than digital media
- Visually processed quicker than digital media
- More likely to drive behavior than digital media

The report's³ statements are supported by some compelling statistics:



Direct mail requires 21% less cognitive effort than digital media. This leads to faster understanding, recall, and buy-in. In fact, direct mail stimulated 75% unaided brand recall versus 44% for digital.



Direct mail triggers portions of the reader's brain to deliver a **20% higher motivation to pay attention.** This leads to “noticing an item among its competitors, seeking out more information, showing a stronger emotional response towards a stimulus, or ultimately making a purchase.”



It takes 38% longer time to scan digital media than direct mail. The duration of eye-time on areas of interest is driven by the added effort required to understand the message.

In a similar study sponsored by The Royal Mail,⁴ MRI technology was used on participants scanning physical and digital advertising. The study determined:

- Tangible materials leave a deeper footprint in the brain.
- Physical materials produced more brain responses connected with internal feelings, suggesting greater internalization of the ads.
- Physical material involves more emotional processing, which is important for memory and brand associations.

Beyond the studies, there are volumes of online commentary from industry leaders about the important role of direct mail in reaching the consumer in a multichannel environment.

“Everyone has been focused on digital marketing for the last 10 years, and digital marketing has gone by the wayside. Marketers are looking for new channels, and there are all of these opportunities to bridge what’s happening in the digital space and the direct mail space.”⁵

Christine Warwick
Marketing Director, Harte Hanks

“With mail you get to touch it, feel it, see the quality and smell the paper. This is evocative, and can’t be achieved by pixels.”⁶

Tim Lindsay
CEO, D&AD

“Print makes digital personal.”⁶

Adam Pike
Co-Founder & CEO, Supercarers

DIRECT MAIL ACCOUNTABILITY AND CONTROL

Putting aside the physicality of direct mail as a marketing and sales channel, the medium can claim to have solid credibility for its ledger-like accountability. Response to direct mail provides concrete, attributable sourcing data that explicitly describes performance, as opposed to inferred interests attributed to keyboard behavior. It has the strongest foundation of all media for research statistics and performance measurement. For example:



Mailing **lists are easily and consistently defined** by industry and census demographics commonly used across all traditional media.



Direct mail is **delivered to physical real estate**, estimated at over 160 million deliverable addresses across the United States, each of which can be defined by GPS, a vital link to digital marketing.



The USPS has sole rights to deliver, and is **governed by Federal law** to deliver, all mail to those addresses.



USPS IT-infrastructure provides for **physical monitoring of mail delivery**, out- and in-bound, supported by digital photographic tracking of all mail to the individual household.



USPS oversight **eliminates the disruption of the mail stream by automated, non-human, virtual traffic** such as bots, phishers and related artificial entities in the digital world.

It is a revealing commentary that in general, data-driven marketers are not content with the attribution efforts within their organizations. **Only 21%** state their organization has a unified approach to marketing attribution and only 7% are truly satisfied with their attribution technique.^{8,9}

Did you know nearly 30% of Internet users use ad-blockers?

In conclusion, 62.6% of marketers want a universal attribution standard developed by a trade association.¹⁰ In comparison, direct mail measurements remain credible, reliable and consistent.

OPTIMAL TARGETING

The digital marketplace has opened the doors to an encyclopedic array of targeting technology. To its credit, marketers can describe buyers and browsers based on web traffic and keyboard behavior. Interactions are tracked via browser cookies, pixel tags, click redirects and site tags, each revealing segments of a customer journey.

Sophisticated multi-touch attribution can consolidate a digital consumer's profile.¹¹ In fact, there are at least seven methodologies for attributing an action.¹⁰ In spite of these breakthroughs, for many instances, the consumer cannot be identified, nor can any basic demographic data or market dimensions be attached to their profile.

The quandary of the angler is a good metaphor for digital marketing online. Imagine dropping your fishing line into the water, and after a succession of nibbles, you adjust your bait, lure, line and position, and haul out an enormous trophy lunker. Yet, from the shoreline, all you can see is the surface of the water. What lurks below remains unknown.

In the direct mail arena, marketers have the luxury of perspective. They can see the size and limits of the universe, and confidently calculate market shares, response rates and financial KPIs based on known quantities. Knowing the demographics of their customers enables direct mail users to budget, target offers, design creative, write copy, and most important, customize their message to an individual with confidence.



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MAXIMIZING COGNITION

The neuroscience of marketing media makes its case for the power of direct mail to deliver understanding to the consumer faster than will digital media.¹² In practical terms, consider the digital consumer and their world:

707
FOLLOWERS

The average Twitter member has 707 followers.

155
FRIENDS

The average Facebook member has 155 friends.

930
CONNECTIONS

The average LinkedIn member has 930 connections.

88
EMAILS PER DAY

The average person receives 88 emails per day.

32
TEXTS SENT

The average number of texts sent by a person per day is 32.

10K
BRAND MESSAGES

In the course of a day, studies indicate we receive up to 10,000 brand messages.¹⁸

Looking at these numbers, it's understandable that we have a deluge of incoming digital communication put upon us. Cognition is limited. In the flood, however, is a steady yet measured flow of hard copy delivered to our mailbox. Direct mail is received, opened, and studied by its recipients, on average, for 30 minutes a day.¹⁹

STRENGTHENING BRAND RECALL

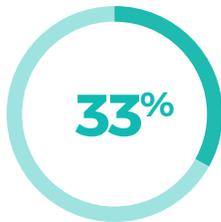
Neuroscience studies explain the mechanics of recall. This phenomenon can be quantified, too. In a separate report assembled by Canada Post Corporation,²⁰ we learn that:



80% of study respondents can recall mail they had received in the last four weeks



60% reported really good ad mail helped keep the sender's brand top-of-mind



33% said direct mail is the most effective way to get them to remember a product or service



55% believe that physical mail is the medium that gives the best impression of the sender

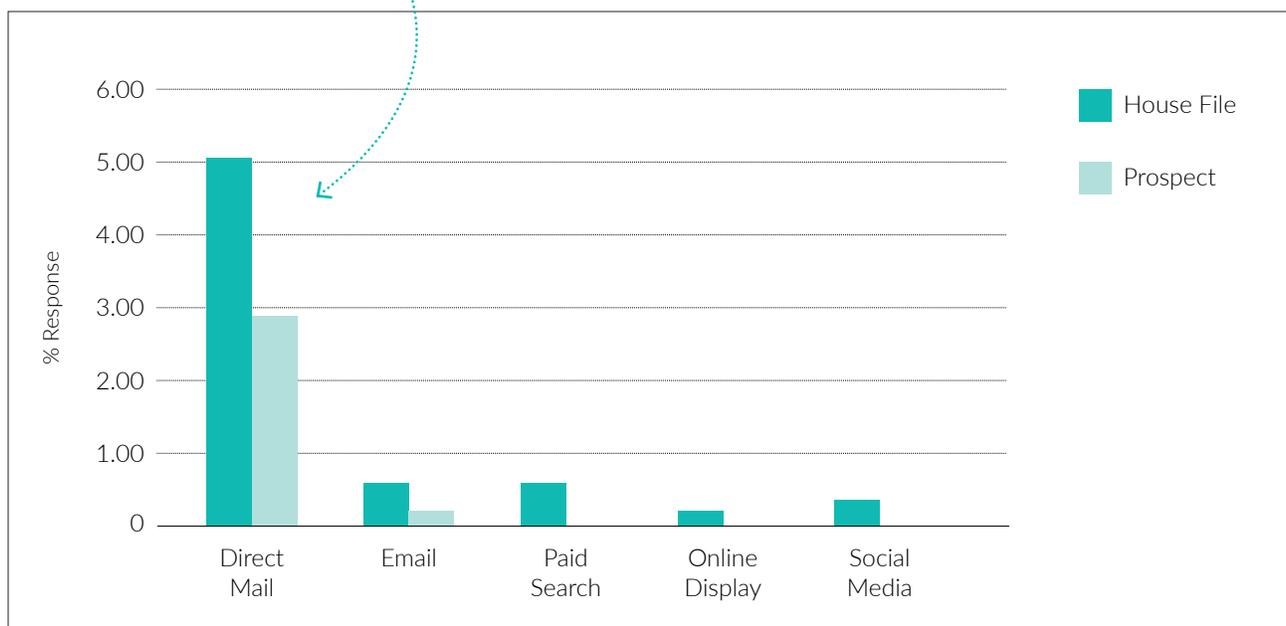
PROMOTING ONLINE ENGAGEMENT

For those digital marketers focused on maximizing contact, direct mail is a forceful driver of shopping and online activity. According to the Canada Post,²⁰ additional findings on recipient impact include:



Much is said about the superior ROI of email. At significantly little cost, it delivers an ROI more than double direct mail. Bear in mind, direct mail is efficient in another way: **It delivers results with less effort.**

For example, direct mail enjoys house-file response rates of 5.1%,²¹ and those are finished business.



Email on the other hand has a declining rate of buy-in. Starting with an open rate of only 25%, that is further diminished by a 10% click-through to a web landing page, they are finished business with a conversion rate of 5.7%.²¹

Doing the math, email's end result is a 0.1425% "response" versus 5.1% in direct mail terms.

What email saves in upfront expense, it gives up in low volumes of transactions.

THE MULTI-CHANNEL ACTION PLAN

Digital media offers a spectacular opportunity for delivering a comprehensive brand message and sales pitch to the consumer. Throughout the customer journey, traditional media advertising educates and alerts, while online display, search, email and web visits deepen understanding and initiate purchases. Direct mail is the bond between the two forces. Here's how:

Customization

Today's print production technology, powered by data-driven digital imaging enables 1:1 communication. Micro-mailing technology can issue one-off letters and post cards for abandoned shopping carts instantly. More profoundly, vast quantities of mail can also employ the same data to communicate with the same intimacy.

There is no longer an excuse for generic, customized mail.

Integration

As traffic builders go, direct mail is the gorilla in the mix. Direct mail bridges web transactions when marketers provide customized URLs for landing pages. The dialogue remains in control as the media carry the customer down the funnel.

QR codes and Augmented Reality technology can bring the story to life with video on the printed page. As well, the daily USPS email feature "Informed Delivery" enables a recipient to activate a mail-piece URL while still in the mailbox.

In yet another bridging technology, device IP/GPS matching facilitates online web targeting with direct mail. Many vendors now offer instant retargeting with direct mail follow-up to web visits.

Speed-To-Market

Most consumer actions occur within 72 hours of first consideration. The nimble marketer can retarget online visitors programmatically. By extension, some visitors can receive email follow up, but most significantly, direct mail is also a sudden response option, thanks to device IP addressing and digital imaging.

The coming year will see continued development of digital inroads in marketing. But along the way, direct mail will maintain its place as the tangible anchor in a growing array of artificial technology. While consumers wrestle with artificial intelligence, voice recognition, chatbots, robocalls and digital apps, direct mail will still hold its uniquely powerful position in the mailbox.

About RRD Marketing Solutions

Relevance equals response. That's the cardinal rule of direct marketing — and for more than 150 years, RRD has been perfecting it.

RRD Marketing Solution hosts the largest and most diverse direct marketing production platform in America. You can leverage our resources with confidence:

- Strategic direction in design of campaigns including targeting and creative
- Creative design and copy for acquisition and retention
- Production of hyper-relevant and personal direct mail in small to large quantities with spectacular format arrays
- Postal logistics that improve delivery, timing and reduce costs
- Analytical tools and expertise to test and track winning features
- Email enhancements that support profitable customer communication
- State of the art web-retargeting and bona fide online ad placement to known prospects

RRD Marketing Solutions builds interactions that drive response. If you are ready to improve readership and results with direct mail, contact us today at **800.722.9001** or **msdelivers@rrd.com**.

Optimize Engagement.
Visit MS.RRD.com

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