



**Mailing**

OnDemand & Presort Mailing Services

# Mobilize direct mail and maximize it's impact.

Why mailers should combine direct mail campaigns and mobile advertising in multichannel campaigns to amplify impressions, results and value.



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## Introduction

In today's noisy and hyper-competitive world, it usually takes anywhere from 7 to 12 touches before a customer reaches a buying decision.

So it makes sense that increasing the number of effective customer impressions greatly enhances the chance of success for a direct marketing campaign. Doing this helps realize the purpose of multichannel marketing: To share a unified, consistent message with customers over different physical and digital platforms to advance brand awareness, consideration for purchase, and sales.

Uniquely among digital channels, mobile communication has disrupted media consumption. Seventy-seven percent (77%) of American adults own smartphones.<sup>1</sup> The average consumer connects to digital media six hours a day, and they spend half of that time on their smartphones. Mobile has surpassed television, desktop and laptop PCs, and other digital devices to become people's "first screen." So it also makes sense that dollars are flooding into mobile advertising to chase these consumers.

But generating effective impressions requires going beyond increasing the frequency of mobile ads. Consumer expectations have risen: they demand seamless, relevant, personal and tangible relationships with brands.

This presents an exciting opportunity for mailers who can easily and cost effectively combine the strength of direct mail with the ubiquitous, personal and flexible nature of mobile advertising. That capability is available today. This white paper examines how mailers can take advantage of it, execute superior multichannel campaigns and compete successfully for marketing spend or new clients.

### Direct mail's power to persuade endures.

Despite all the changes wrought by the digital revolution, direct mail's power to persuade remains strong.

Studies repeatedly show that consumers prefer physical mail to both telemarketing and email. They like paper's "ease of reading" and its superior tactile (handling) experience, and they like being able to physically archive and store paper statements.

Physical direct mail also remains a uniquely powerful marketing tool. Studies have revealed that mail delivers higher brand recall than digital ads, and is more memorable than email. In 2017, Targetmarketing.com cited these numbers from Keypoint Intelligence-InfoTrends:

- 66% of direct mail is opened.
- 82% of direct mail is read for one minute or more.
- 78% of respondents think direct mail is effective.
- 56% of consumers who responded to direct mail went online or visited the physical store.<sup>2</sup>

It also cited the Data and Marketing Association (DMA) finding that response rates, on average, are 5% for customer list and 2% for prospects<sup>3</sup>.

Yet many mailers face the future with mixed feelings. The DMA notes that, while direct mail's response rates among customers and prospects are more robust than ever, mail volumes have been falling 1.9% year-over-year since 2005. It estimated that mail spend declined by 5.3% to \$8.9 billion in 2016.<sup>4</sup> The 2016 Salesforce Annual "State of Marketing" Report noted that direct mail volume declined by 8% in 2016, while digital advertising volume rose by 12%.

Mailers, then, are faced with a double challenge: stop or slow the erosion of marketing dollars to digital through multichannel capability, and establish the value of direct mail as part of multichannel marketing in delivering:

- More consumer reach/impressions/engagement.
- More responses.
- More leads.
- More sales.

### Multichannel amplifies direct mail's impact.

Integrating direct mail with a digital touch is critical to a multichannel strategy, and it can dramatically improve the results of direct mail campaigns. Says the U.S. Postmaster General, Megan Brennan: "The addition of a digital touch to the mail is not additive to the performance of the mail; it's multiplicative."

"We are at the convergence of physical and digital," she stated at the 2017 National Postal Forum. "There has never been a bigger opportunity for mail."<sup>5</sup>

According to a 2016 study by Keypoint Intelligence-InfoTrends, mailers rank delivering a seamless, unified, multichannel customer experience among their greatest communication challenges.<sup>6</sup> They want to engage their customers and expand the services they offer and the channels they support to create this experience, while managing costs.

<sup>1</sup> Pew Research Center, January 2017.

<sup>2</sup> Direct Marketing Production Printing & Value-Added Services, InfoTrends, 2015

<sup>3</sup> Summer Gould, Direct Mail: The Gift That Keeps On Giving, Target Marketing, June 22, 2017.

<sup>4</sup> Don't Call it a Comeback: Print Never Died, The Direct Marketing Association, 2017.

<sup>5</sup> Postmaster General Brennan Advances Digital Strategies, Innovation in Mailing and Shipping Industry at 2017 National Postal Forum, USPS, May 22, 2017.

<sup>6</sup> Service Expansion Opportunities for Document Outsourcing, InfoTrends, July 2016

## What stands in their way?

- **They need to integrate physical and digital address data and behavioral data.**

The first step in a successful multichannel campaign is to consolidate consumers' physical address data with their mobile device ID to enable accurate multichannel communication. Developing a more complete and accurate view of customers and deriving insights from patterns associated with their profiles improves targeting, relevancy and personalization.

- **They need to produce effective digital content, especially mobile content, economically.**

Some larger mailers have added creative services to their repertoire; but for most mailers, developing digital content is not a traditional core competency. In addition, the most impactful multichannel content is consistent across media—in headlines, graphics, value propositions, calls to action and other key elements. It's visually arresting as well. Seventy-seven percent of mailers polled by Keypoint-InfoTrends in 2016 ranked "developing a mobile strategy" as important or very important; InfoTrends identifies mobile as providing a potentially significant service expansion opportunity.<sup>7</sup>

- **They need more accurate attribution of the sales conversion process.**

Advertisers understandably want to invest their resources in measurable, trustworthy media. Digital clicks are easy to measure, and digital channels offer an immediate mechanism for response; but digital touches are not the sole cause of a sale in a multichannel customer journey. By creating awareness and offering tangible, persuasive brand communication, direct mail plays a critical (and not always acknowledged) role at the top and middle of the sales funnel. Mailers need to identify the ways in which direct mail has impacted the success of a campaign, no matter where the sale occurred.



### Case study:

## Turn new arrivals into new customers.

### Opportunity:

A national bank sought to improve the results of its "new mover" acquisition postcard. Its goal: capture residents who have recently moved into an area and promote the presence of its local branches. The direct mail postcard offered an account credit if a savings and checking account were opened.

### Solution:

Pitney Bowes Synchronize™ Mail + Mobile solution.

### Results:

An A/B test identified a 10% uplift in direct mail response in the audience that received Mail + Mobile messaging, as opposed to the postcard mailer alone. These results are in line with prior results of the control group and the test group was randomized to prevent skewed results based on demographics. All metrics are statistically relevant.

<sup>7</sup> Ibid.

## Mailers can leverage the strengths of both physical and mobile.

Mobile boasts inherent advantages over other digital channels. Smartphones and tablets have become a ubiquitous, personal electronic companion; they're always within someone's reach. They reach people on the go wherever they may be; unlike the typical physical mail experience that tethers consumers to their mailbox to receive an advertising message. No wonder the average American adult consumes hours of mobile media every day.

Mobile devices support high-resolution graphics and vivid color. Mobile banner ads can offer digital experiences that are attractive, engaging and highly interactive digital experiences. Mobile ads are also a relatively inexpensive channel for nurturing prospects and leading them toward a purchase decision. They're effective in re-targeting people who have failed to respond to an initial campaign.

However, mobile does have some shortcomings. Its messages can be ethereal and the impact of its ads can be fleeting. A barrage of poorly targeted banner ads simply contributes to the general noise of competing messaging, to the detriment of the advertiser.

The permanence and tactile nature of direct mail, on the other hand, complements the weaknesses of mobile advertising. If a direct mail piece's message, graphics, headlines, text, and calls to action align definitively with those of mobile banner ads, a precisely timed multichannel campaign can, as the Postmaster General promised, dramatically boost the performance of the mail piece.

Advertisers are learning this fact today, and they're overcoming the three obstacles of multichannel marketing we've noted above.



### Case study:

## Attract more feet and more dollars during sale days.

### Opportunity:

A national men's clothing store wanted to improve the results of their "sale days" mailers, including catalogs, letters, and postcards. Its goal: improve foot traffic in stores, and, ultimately, sales volumes on selected sale days wherein specified merchandise was price-reduced.

### Solution:

Pitney Bowes Synchronize™ Mail + Mobile solution, including venue attribution, to assess increase in traffic across participating stores.

### Results:

The store saw a 35% increase in overall spend on "sale days" among the Mail + Mobile audience, as opposed to the direct mail only audience. The control (mail-only) performance was in line with prior results and all metrics are statistically relevant. We were also able to provide analytics into the responder population by identifying audience members in stores, including dwell time and path to purchase exercises.



### Mail and mobile share a unique synergy.

Early campaigns show that synchronizing these two channels can significantly improve response rates.

Databases are being built that match cleansed physical address records to mobile device IDs. For example, Pitney Bowes has mapped over 900 million (and counting) mobile device IDs to addresses to create the foundation of customer profiles. To these profiles, we've combined demographic, geographic and behavioral data that, when analyzed, enables marketers to better identify the prospects who are most likely to respond to offers. It also helps them fine-tune the content of both the mail piece and mobile ad.

Services such as the Pitney Bowes Mail + Mobile solution have been developed that cost-effectively help mailers create vivid, effective digital banner ads that mirror the design, headlines, graphics, and calls to action of a direct mail campaign and amplify its message.

During the past year, field tests and early adopters have shown that precisely timed flights of mobile ads bracketing the delivery of a direct mail piece demonstrably boost the performance of the mailing by as much as 100% over mail-only campaigns.

By reaching the right people with the right message in the days before the in-home date, mobile creates awareness and establishes brand memory. On arrival, the direct mail piece reinforces the campaign message; its permanence and persuasiveness help trigger action.

Analysis of early mail and mobile campaigns has revealed a dramatic rise in click-through rates, the industry-standard way to assess the stages of a sales journey, during and after the direct mail in-home date. Mobile ads that follow the in-home date gain further responses. Real-time location sensing provides another method that enables advertisers to target prospects based on where they are at a given moment with mobile advertising.

**Case study:**

## Create vivid engagement at the point of decision.

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**Opportunity:**

Despite a national media campaign including TV advertising, radio/satellite advertising, and other out-of-home channels, a national-brand house paint sought better brand awareness that would yield higher levels of brand recognition, consideration against competitors at retail points of sale, and higher overall sales. The company also had multiple sets of focused direct mail campaigns including segments they felt were most ready to make retail paint purchases, often as part of a larger renovation project.

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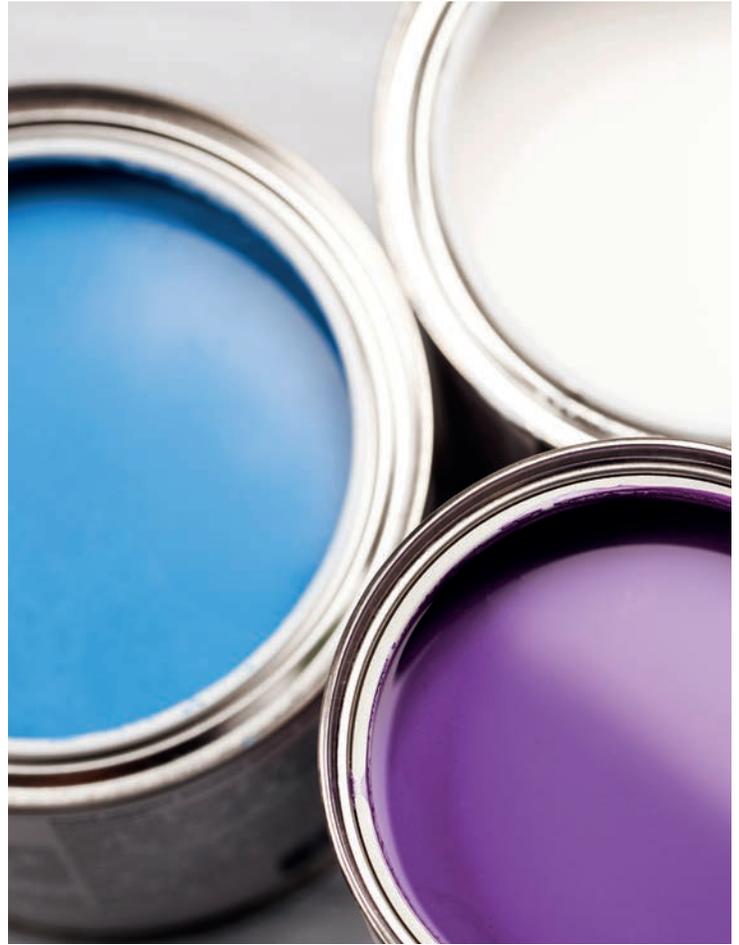
**Solution:**

Pitney Bowes Synchronize™ Mail + Mobile solution.

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**Results:**

The brand identified prospects who were actively engaged in renovation projects and amplified the overall messaging of the existing campaigns, especially the direct mail audience. It created a highly interactive mobile app to help prospects with paint color selection. Mail + Mobile was instrumental in driving traffic to that app and to their web experience. The results included a 15% increase in brand awareness and a 10% increase in sales within the segments leveraging Mail + Mobile, as uplift against the control group. All metrics are statistically relevant.



15%

increase in brand awareness



10%

increase in sales within the segments leveraging Mail + Mobile

# A successful multichannel campaign includes four easy steps, which when they work in unison can deliver a successful, synchronized campaign.

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## 01. Identify and target the right audience.



- Starting with your targeted physical address list, take advantage of data sets that help you map the physical addresses on the list(s) to the mobile device IDs of those customers' mobile devices. This creates a unified customer profile.
- Enrich the profile with demographic information (gender, age, ethnicity, household income), behavioral data (including lifestyle, life event and "hobby/enthusiast" insights, etc.), and geographic location sensitivity to further refine your offer, message and audience.
- Develop your strategies based on such considerations as:
  - Device type.
  - Time of day.
  - Location of consumer.
  - Operating system.
  - Website or app delivering the ad.
  - Type of connectivity.

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## 02. Use consistent content (headlines, text, graphics, CTAs) across channels.



- Creative strategy must encompass direct mail and the different standard formats of mobile banner advertising.
- Key design elements should be consistent in banner ads and direct mail to make a memorable connection between them in consumers' minds. These elements include:
  - Headlines.
  - Sub-headlines.
  - Graphics.
  - Text content.
  - Calls to action.
  - Overall look and feel.
- Make sure the outside of a direct mail envelope strongly corresponds, in all key elements, with the mobile banner ad.



**03. Time your mobile ads to bracket the direct mail in-home date.**



- Before delivery, use earliest flights of ads to create awareness, typically two weeks before the in-home delivery date.
- On the delivery date and beyond, direct mail underscores the offering and urges the taking of action.
- Through the end of the campaign, typically two weeks after direct mail delivery, use mobile ads to remind target consumers and reinforce actions.



**Mobile**

Begins before DM in-home date



**Direct mail**

Echoes message of mobile campaign



**Mobile**

Continues post DM in-home date

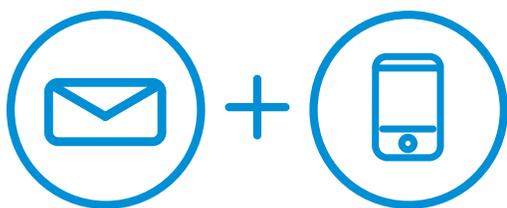
**04. Analyze what happened, make adjustments, and optimize campaign performance**



- Use standard performance analytics to determine the response rate of the variable "B" group direct mail with mobile campaign and compare results with the control "A" group.
- Determine total clicks and click-through rate for mobile advertising.
- Note any upsurge in clicks during and after the in-home date of direct mail.
- Determine which mobile banner ad sizes worked best.



## Mailers have a new way to offer effective multichannel marketing.



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Before you begin, think about following this rule of thumb: Learn to crawl before you can walk.

Mailers seeking a path to cost-efficient and successful multichannel marketing campaigns now have an accessible means to leverage the complementary strengths of direct mail and mobile advertising for greater results, more leads and more customers.

Pitney Bowes can help guide you toward the right solutions that can achieve superior campaign results, which in turn lead to positive business outcomes.

To learn more simply contact Pitney Bowes at [pb.com/us/mailplusmobile](http://pb.com/us/mailplusmobile)





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