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ROI on Direct Mail: Traversing the Rocky Path in a Digital World

It's been talked about, tried, measured, and perhaps you found it wanting. Many have ventured down the path of direct mail but didn't have much luck traversing this sometimes rocky trail. However, did you know that 18 to 34 year-olds *actually prefer* direct mail or even that direct mail is comprised of approximately 52.7% of the national marketing budget? If your direct mail campaign hasn't been successful in the past, it kind of makes you wonder: What exactly went wrong?

Two percent is the *average* response rate for a standard direct mail piece. Nevertheless, you can help increase your ROI percentage with specific tactics such as micro-targeting demographic and geo pockets, split testing, tailored messaging specific to individual prospect segments, personalized mailers, color print campaigns, etc. These are just a few examples from an infinite list of options to create an effective direct mail campaign.

Pack Right for the Trip

A little thing like using the recipient's name over something generic, such as "Current Resident", nearly doubles the initial open rate for your direct mail piece. In-home dates early in the week (Tuesday/Wednesday) tend to solicit a greater open rate. However, none of these approaches is relevant to improving the return on your direct mail investment UNLESS the campaign is tracked properly. How are the prospects supposed to respond to your mailer? Business reply envelopes (BREs)? Driving the traffic to your website? Landing page? Or are you having them call or email in? Having phone numbers, URLs, emails, etc. that are specific to each direct mail campaign is crucial. Above all, keep your destination in mind: What is the purpose of the campaign in the first place? To raise awareness of your brand? RSVP for an event? Lead generation? These questions need to be addressed prior to scaling this incline. Whether it's a mountain or a hill, it all will depend on how well-prepared you are for the hike.

Call for an Assist!

Well-Known Secret: Direct mail is more effective if you support it with another form of communication with the same congruent message. *Congruent* is the keyword here. Adding two



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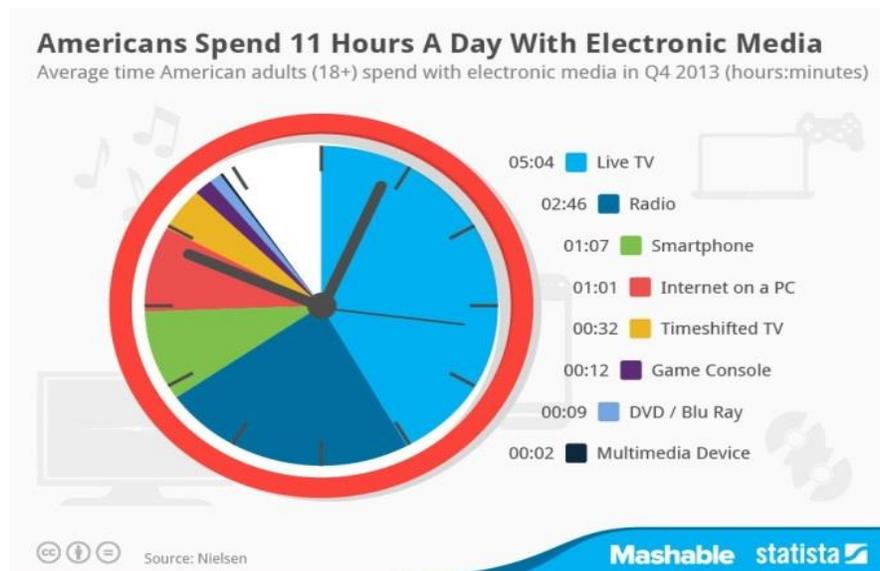
email blasts (one before and one after your direct mail in-home date), QR codes and text blasts are all examples of how you can immediately increase your response rate. Richard Rushing, senior director of digital strategy at agency Epsilon, says in “Blurred Lines”: Brands with a compelling message or offer that link direct mail and digital can expect a “10 to 30 percent uplift in conversion . . . when combining the two channels”. Even the use of a simple URL or personalized landing page added to a direct mail piece can *significantly* impact your outcome. A stand-alone BRE might be effective, but a complete direct mail campaign combining email blast(s), a direct mail piece, and web presence are what’s going to give you the ROI you want with a higher propensity to convert.

It’s All About the Lists

It really is all about the list. Unless you are re-marketing, acquiring compliant and responsive lists is the most difficult part of the direct mail campaign overall. Making sure you have the right list vendors will take time and money to test. It helps to have a direct mail advocate in the industry that can help steer you in the right direction or acquire them for you.

Direct Mail: Blazing a New Trail

So what is the future of direct mail? The answer might not surprise you. The market has been trending towards a more *integrated* campaign approach, combining digital and non-digital communications. On average, Americans spend 11 hours of their day with electronic media. (See table below for media-type breakdown.)





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So ignoring digital altogether on the direct mail campaign isn't very conducive to a positive ROI. Did you know that the average American 18-24 year-old spends an average of 3.8 hours per day on social media alone? Knowing how your target audience spends a majority of their time will be the difference in how effective your direct mail campaign is and whether it will yield the results you are seeking.

Direct mail will continue to change with your target audience. As a takeaway, some key questions to answer when building your direct mail campaigns are:

1. Who is your target audience & how do they spend their time?
2. How would they prefer to be contacted & in which media are they most likely to respond?
3. How are you going to track the responses from your mailer?
4. Are you reaching your target audience in an effective manner?
5. What is this campaign's purpose or offer?

Create the *right* direct mail campaign and get the ROI you are seeking by packing right for your trip, supporting the campaign with alternative communication, and acquiring the right lists.