

We deliver more than ink on paper

# 11 COMPELLING REASONS

#### FOR YOUR BUSINESS TO USE DIRECT MAIL IN 2019

#### **DIRECT MARKETING IN 2019?**

Absolutely! It's Got the Right Stuff. **Direct Mail** is the NEW [Old] Kid on the Block.

### Introduction



At CBN Commercial Solutions, we provide our clients with expert advice to create work of exceptional quality. We aim to educate clients and prospects alike on the best ways to market to their customers and to have their brand stand out. We're about more than ink on paper. We're about you.

As part of this commitment, we partnered with a seasoned direct marketing strategy firm, <u>Daigle Direct Inc</u>., to provide key facts surrounding the reasons to use direct mail in your marketing mix. The following pages will outline **11 compelling** reasons for your business to use direct mail in 2019.

Direct mail is not dead. In fact, it is better than it has ever been. Almost every major retailer spends significant portions of their annual advertising budget on direct mail. Even Google and Amazon use direct mail. They all use it because it works. It's got the right stuff. By leveraging direct mail properly, you gain many advantages. This White Paper positions direct mail as not only a viable marketing channel but as a necessary element for your business' success. Direct mail, done correctly, can succeed quite capably on it's own. However, no marketing channel should exist in isolation when they can all work so well together. Direct mail can add lift within alternative channel success, it can generate and strengthen brand recognition and can create a lead building circle for converting online and social channels.

It is clear that **direct mail** will continue to be a force to be reckoned with for businesses that want to stand out. In an environment so incredibly saturated with countless digital communications, direct mail has re-emerged as the new [old] kid on the block.

### **#1** Direct mail is deliverable to all & accessible by all

In response to the veritable barrage of email and other digital communication channels, applications such as Adblockers and Spam filters were born and laws were crafted to legislate how and to whom email messages could be sent to. With this said, <u>USPS</u> reports:



**62%** Of Americans *"enjoy checking their mail"* 



Of recipients will collect their mail and sort/read it immediately

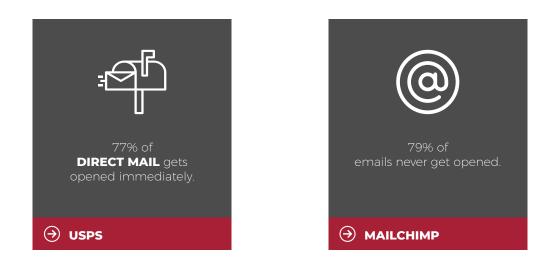
Contrast that with the fact that, according to <u>Mailchimp's 2018 email benchmarks</u>, only 20.81% of emails on average get opened. In fact, many emails don't even reach the recipient due to ISP spam filters before reaching the recipients' inbox. Those emails that do make it through have to trust that their subject line is intriguing enough to get through the ever more scrutinous eyes of the recipient.

So, only 1 of 5 emails are getting opened, meaning quite simply that the rest are deleted, filtered as spam, ignored, or simply never reach their target. People in 2019 aren't opening almost 80% of their emails but they are still actively retrieving and opening their mail. Every day.

With direct mail, marketers can place their message into virtually every mailbox they target. It is very easy to delete an email without opening it. Click. Gone. It is more difficult to discard messages sent by direct mail. Whether it's a postcard or a product sample or a bill, that direct mail will be in the hands of their target for at least a few moments. Even if your direct mail is considered for only a few moments it is still an incredibly important few moments. Everyone has a mailbox. No one has to opt-in to receive mail. So, when you want your message to be seen by your target, direct mail is your best option. And, if you can't reach your target by email because you don't have their overt permission, you can also always rely on direct mail.

In addition to the deliverability advantages of direct mail, it is also extremely effective in reaching anyone of any age. Many Boomers and older do not have (or do not want) many of the technological toys and email inboxes that their younger demographic recipients do. The vast majority of seniors do not use social media. A mail piece becomes the only channel a business can use to target them today and in the future.

In addition to the deliverability advantages of **direct mail**, it is also extremely effective in reaching anyone of any age.



### #2 Direct mail has staying power

In the previous section, <u>USPS</u> showed that an average 77% of direct mail is sorted and read immediately. Not only that, many people have a mail ritual. They retrieve it at a similar time each day. They sort it in the same way each day looking for the relevant and/or exciting pieces. This ritual proves advantageous for your business because the direct mail is being touched and handled much longer and in a much more intimate way than any email message ever could.

In the same USPS study, it was estimated that people will spend an average of 30 minutes reading their mail at any given occasion (this included direct mail, catalogs, magazine and first class mail). People have a preference to direct mail over email because it can be read "when it is convenient" and can be "referred back to when needed." While the same can also be true for email, people return to review direct mail with significantly more regularity than email and other digital channels. When people open their mailbox and find their daily collection of mailers, they don't throw anything away without at least reviewing it's relevance and/or attractiveness first. They are almost afraid to throw a direct mail away without at least taking a peek at it first. According to a Royal Mail study entitled, "*The Private Life of Mail*" they found that 39% of mail recipients have a home (or two) for mail pieces that made the cut and were held for future reference. Typically, a saved direct mail piece will remain in the home for at least 17 days. Bills and statements remain roughly 38-45 days. This provides opportunity for others in the home to also view your direct mail pieces. It is estimated that 23% of mail kept in the home is shared with others in the home. This pattern of keeping mail pieces many days past the date of receipt keeps your message top of mind for future use and prompts them when they are ready to consider a purchase.



People spend an average of 30 minutes reading their mail on any given occasion.





Direct Mail stays in the home on average for 17 days.





23% of mail in the home is shared with others in the home.



#### #3 Direct Mail is satisfying to the 5 senses

The primary purpose of any marketing message, regardless of channel choice, is to stimulate or to motivate a specific action. The more tactile and interactive the communication, the greater chance of success in generating that action. Direct mail has a considerable advantage over other marketing channels on a conscious and subconscious level due to it's physicality.

A <u>study</u> by Bangor University and the Milward Brown agency found, "*Tangible materials* such as direct mail trigger a much deeper level of emotional processing than any other channel. They also generate more activity in the area of the brain associated with integration of visual and facial information." Put simply, this means direct mail has a neurological edge in garnering the desired response from your targeted recipients.

<u>Canada Post</u> recently conducted studies around the neuroscience behind how direct mail makes us feel and react subconsciously. They determined that 80-90% of consumer decisions are driven by forces not consciously controlled. Interestingly, the more senses involved in the marketing communication, the more the subconscious trusts the message conveyed.

Senses can trigger these subconscious reactions. A digital message is viewed and possibly heard. But it can't be touched, smelled nor tasted. Your direct mail, with some creative planning, can hit any or all of the five senses. A food sample can be sent through the mail and tasted. Perfume samples or scratch-n-sniff elements embedded in a direct mail can target the sense of smell. The physicality of the package itself has an impact as well. Whether it's a plain white envelope or a thicker or shinier paper has an effect on the sense of touch and ultimately triggers feelings and behaviours and subconsciously impacts the level of trust the message will receive. In the same Canada Post report referenced, they proved the physicality of direct mail proves easier to process than it's digital channel counterparts. It takes 21% less cognitive effort to understand the direct mail message.

In addition, the brand recall for the physical pieces received in your recipients' mailbox leads to 59% better results. Digital messages have a 44% brand recall compared to 75% brand recall for direct mail.

The physical act of holding something in your hand assists in building longterm memories and future recall. If your message is remembered, the message can be actioned. And that's the biggest marketing asset your business can have in 2019 or any year.

#### Get seen. Get remembered. Get actioned.



Tangible materials such as **DIRECT MAIL** trigger a much deeper level of emotional processing than any other channel.

#### CANADA POST

It takes 21% less cognitive effort to understand a **DIRECT MAIL** message.

#### **#4** Direct mail cuts through the noise

A 2017 Microsoft study indicated people have an eight second attention span. It is said that a goldfish has a longer attention span. Since you're not marketing to goldfish, you better make sure your message cuts through the multitude of competing noise out there.

In a recent <u>GradSchools.com</u> study, they determined the average North American sees 5,715 advertising messages each day. This includes brand tags on clothing, labels on packaged food, television, mail, email, radio, banner ads, billboards, transit ads, magazines, etc. Whether or not this number is 100% accurate, it is clear your marketing messages are competing with 1000s of other messages each and every day.

There are roughly 60 marketing channel choices for your business in 2019 to reach your target recipients. Most of these options weren't around 25 years ago. If your target audience isn't already experiencing digital marketing fatigue, they will reach that point very soon. Direct mail allows you to physically put something in your targets' hands. They can review it's contents at a time of their choosing and take action to you on their time. Further to this, people actually look forward to and actually gain pleasure from receiving direct mail as compared to other channel choices. According to USPS, well more than half the population *"look forward to receiving mail daily"* and no less than 56% of people take pleasure from receiving direct mail. Additionally, Royal Mail has shown that 70% of people *"get a better impression of the company"* upon receiving a direct mail piece.

Direct mail uniquely lets you step into your recipients' home the moment they open the piece. This is seldom possible from the messages delivered to your targets on their various screens. While sorting their mail, your targets are bound to have various pieces interest and resonate with them for one reason or another. Direct mail has the ability to be various shapes and sizes, can be lumpy, can have interactivity, etc. Every second they have your piece in their hand is another second that they are contemplating your offer and your brand.

# 56% 5,715 Advertising messages each dayare seen by the average North American. → USPS → GRADSCHOOLS

### **#5** Direct mail is becoming more & more uncommon

On the surface, a fact showcasing the decline of direct mail volume would seem counterintuitive. But, consider that your target audience in 2019 is inundated with 1000s of advertising messages each day. Add to this the fact that there are less and less mailers entering their mailboxes and you are presented with a huge opportunity to stand out in an environment that is far less crowded.

Canadian mailboxes receive on average 15.2 mail pieces per week. People receive on average 140 emails each day between their home emails and work emails, according to <u>Mailchimp</u>. With 50 times less messages hitting your target audience via direct mail, your mail message has a significantly better chance of getting read and actioned. It isn't hard to see why direct mail is the channel of choice for receiving promotional messages. A recent <u>Royal Mail study</u> found that, "*in a digital world, where email volume is growing almost exponentially, the comparative rarity of direct mail has led to it becoming increasingly valued and trusted by consumers.*"

There are many reasons behind the reduction of direct mail volume. Regardless the reason, if less businesses and marketers are using this tool, you should. Your direct mail message will clearly have a much higher chance of being seen and considered.

Again, by volume, direct mail numbers are absolutely declining but not as much as you would think. And, the mailers are getting more and more individualized as marketers successfully send direct mail to those that have a higher propensity to take action from receiving it. This means consumers are receiving fewer overall mail pieces but are receiving direct mail that they were a chosen and relevant target for. Significantly more planning, thought, and rigor goes into the direct mail sent today than even five years ago.

15.2 mail pieces each week VS 140 emails per day

The comparative rarity of **DIRECT MAIL** has led to it becoming increasingly valued and trusted

🔿 ROYAL MAIL

# #6 Direct mail has more flexibility than other channels

When it comes to creativity and flexibility in direct mail, if you can think it, you can do it. Because of the physicality of direct mail, your imagination is your only limitation.

From letters to small postcards to oversized pieces to boxes to dimensional items and more, the options are almost infinite. As mentioned in another section, direct mail is tangible. So, it sticks around for a while – especially if the package is unique.

If it makes sense to do so, you could mail bottles of wine, food samples, a single glove (with intent that the other glove is coming), or even something as trivial as a rear-view mirror hanger. You can't get any of those items at the moment of engagement from an email, banner ad, or SMS. The rear-view mirror hanger example has it's own additional staying power for your brand as it is seen by you (and others) every day. The direct mail package choice and your message within it have the opportunity to do more than simply catch your recipient's attention. Direct mail has the ability to enter your targets' homes and stimulate their imagination on their terms engaging multiple senses and feelings again and again.

Digital stimuli such as interactive copy, video, and scrollable infographics works wonders. But, the various digital channel options available to you only scratches the surface of what direct mail can do for your business to overload the recipients' senses. The level of engagement that you can create with a clever, relevant, and interactive direct mail piece in the right person's hands is immeasurable.

Direct mail has the ability to enter your targets' home and stimulate their imagination on their terms.

DAIGLE DIRECT

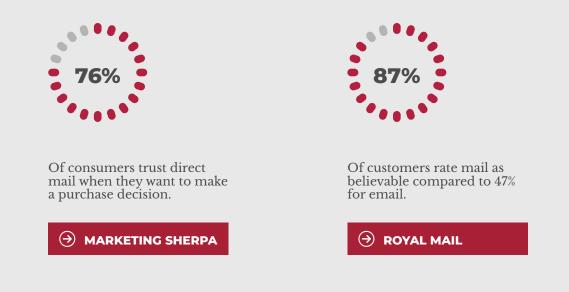
# **#7** Direct mail has an aura of nostalgia and trustworthiness

An impressive advantage direct mail has over other channels is the fact that 76% of consumers trust direct mail when they want to make a purchase decision, according to a 2017 <u>Marketing Sherpa</u> study. Interestingly, this placed direct mail third amongst available channels behind print and television - two other so-called nostalgic channel options. The most trustworthy digital channel when making a purchase was search, with trust levels of 61%. This positions your direct mail communications into your targets' hands with more than 20% higher potential it can convert into a sale.

From a <u>2017 TNS UK study</u> on perceptions of mail, it was found that when people are sent sensitive or confidential information, mail was the preferred channel outpacing all other channels combined. 51% of people preferring to be contacted by mail, 35% by email, 12% by phone and 1% by text (1% other). Almost 2/3 of those polled by TNS agreed with the statement, "*I am confident that the contents of my mail are private*." And, 87% of customers rate mail as believable compared to 48% for email.

Mailchimp reports that consumers receive 20+ spam emails per day on average. Add to this an increasingly high number of phishing emails and it becomes clear why much of your target audience may have trust issues with their Inbox. **When in doubt, they simply hit delete. Poof. No dialogue.**  Transparency and brand safety concerns have continued to erode the trust in the digital marketing space. And yet, direct mail remains healthy from a trust standpoint. It continually gets opened. It doesn't have the trust implications to the same degree as other channel options seem to have. According to the DMA, "70-80% of consumers report they open almost all of their mail – including "junk" mail."





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# **#8** Direct mail can have surgical-like targeting possibilities

The available data about your prospective clients - and even more so your existing clients – provides a mountain of usable information. Therein is the difficulty though; how to turn the masses of data into actionable information.

Infosys conducted a <u>study</u> in 2018 and found that 78% of consumers will "*only engage offers if they have been personalized to their previous engagements with the brand*". This is not possible for many digital channels. Regardless of channel, you can only use information that you have collected. Obviously, if you don't have gender or age data, you can't personalize the language nor the look and feel of your messaging based on those demographics. Age, gender, and geographical location are three of the more easily segmented fields in creating variable creative.

Especially for the use of localized communication, options for mailing to everyone in a certain geography has it's advantages. But, anytime you have the opportunity to address an individual directly, you gain increased trust and propensity for action by your target. But simply personalizing a direct mail barely scrapes the surface of what recent technologies allow you to do for a mail distribution.



With all the data that is available today about your clients and prospects, you can create amazing direct mail campaigns individualized to a single target.

Environics (Prizm5) segmenting is an example where you can target by various psychographics behaviors as opposed to simply targeting demographic elements. You can still target demographics such as the top 1% of all household incomes in a particular locale. But, now you can layer onto the results of those demographics and additionally target for example only those whom have aging parents and children in the same home and are heavy Internet users.

#### Direct mail also allows you to focus solely on people most likely to buy from you.

By using tools such as predictive modeling, you can improve your direct mail results significantly. Using a scientific approach to identify the behavioral attributes that are predictive indicators to find prospects that "look like" your current clients.

The more you know about your recipient, the more tailored the message can be. Variable print technology has opened the doors allowing marketers to dynamically create a direct mail that leverages what you know about a consumers interests to create a unique piece of mail. In this way, direct mail is once again the most effective channel through which to reach someone in a truly personalized way.

If you tailor your direct mail with details beyond name and addresspulling in personalized messaging based demographics, psychographics, on transaction history, interests, and moreyour recipients will take notice. In addition, they will have higher levels of trust than with basic addressing variables alone. Plus, you only pay for the direct mail actually being sent to your surgically selected list. This reduces massive waste and expense of sending your message to recipients that have no interest or wherewithal to action your promotion.

**78%** of consumers will only engage offers if they have been personalized.

INFOSYS

# **#9** Direct mail plays nice in the sandbox with other channels

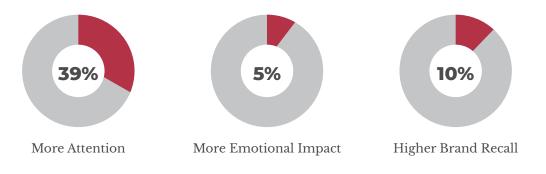
The question of whether to use direct mail or not in 2019 should not be a Yes-No decision for you and your business. Yes, direct mail works. But so do digital and other channels. It's not direct mail channel vs. another channel. It's direct mail in coordination with your other channels that leads to the greatest overall success of your business' marketing efforts.

Each channel has it's own positive uses and advantages that you can take advantage of. Direct mail can be used in isolation but works so much better as part of a multichannel solution. Similarly, other channels all have greater degrees of success when combined with direct mail. When you combine direct mail with digital, significant response improvements flood in. <u>IWCO</u> found that leveraging direct mail and email within a single integrated multichannel marketing campaign generated up to 35% greater response rates.

In 2017, Canada Post released a <u>study</u> comparing direct mail in a silo vs. direct mail/ digital integration. As a standalone, direct mail proved to be 21% easier to understand and 20% more motivating than digital advertisements. Direct mail also held participant attention more than two times longer and stimulated 29% higher brand recall than it's digital counterparts. This same Canada Post study proved – in what was logically to be expected – that when marketers use more than one channel, results improve. Integrated campaigns garnered 39% more attention, produced 5% more emotional impact, and produced 10% higher brand recall than single-channel digital campaigns.

With a multi-channel marketing strategy that combines direct mail with digital formats, you give your recipients the ability to be contacted through their preferred method of communication. Using direct mail in combination with digital strategies will assist your business in standing out through multiple touchpoints, which enhances the strength of the overall message. Dr Jeffrey Lant coined the "*Rule of Seven*" concept, a guiding marketing principle that states that you must contact your consumers a minimum of seven times in an 18-month period before they will act. Per the above, it is clear that marketing through multiple channels in 2019 and beyond is a necessity, using as many channels as your budget and team resources can handle.





VS single-channel campaigns



# #10 Direct Mail is a perfect reciprocal partner for social media

The idea that "*if you build it they will come*", does not work in your efforts of driving traffic to your online channels. Building and growing traffic to your website or generating a social media following needs a boost. Direct mail has proven to be that boost for many businesses and is a natural driver for this endeavour. <u>USPS</u> has shown that working hand in hand, direct mail and social media can boost the effectiveness of a campaign and create valuable insights.

By including your social media presence via full URL or simply use of your social icons on all printed pieces (and asking for a follow-up) provides a simple and effective push to build your followers. Using this method in conjunction with Facebook Retargeting is a great way to pay-it-forward in your multi-channel campaign. If someone went to your online presence – which they were driven there by your direct mail – and then went to their Facebook application, they could see ads for your business in their feed.

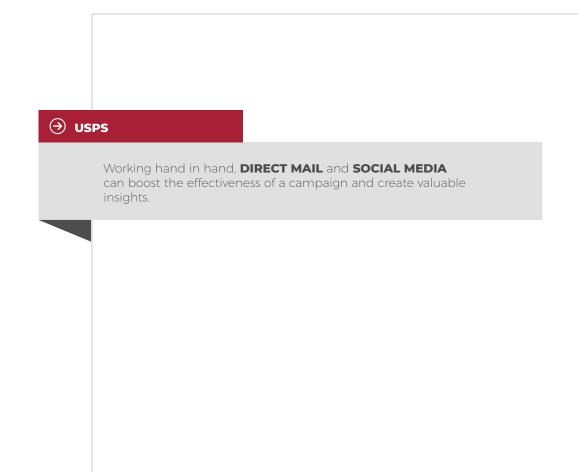
Almost without fail. a **DIRECT MAIL** campaign boosts your online page view (or inbound call volume) simply by landing in your recipients' mailboxes.

Your target audience receives your keenly constructed direct mail but did not do what you hoped they would do – instead of calling the number provided or typing in the printed URL, they went to your homepage for more research. These artificial online spikes in visits are a regular but ultimately positive side-effect of a direct mail campaign. But, if you have at least partially planned for this, you can attempt to capture their interest via that channel's strengths.

You can also do the reverse—gathering leads using online methods, then using direct mail to convert the leads into sales. Social media can feed your direct mail list as well. You can focus direct mail targeting around those that view/follow your social media pages. By uploading your email or physical address list to your preferred social platforms, you can geo-target your mail campaign and get even more touch-points.

Social can also assist your direct mail channel success by mimicking the message in the direct mail as a social feed. Or you can simply take a picture of your direct mail and ask your followers to join your mailing list.

Whichever direction you are corralling your targets – from direct mail to social or social to direct mail – you must have consistent marketing content and creative in all channels.



# #11 And finally...direct mail works

Direct mail has the highest average response rate of any other channel. Period. And it's not even close. Direct mail response rates surpassed all other channels combined by 700%.

2018 response rate results from the <u>Data &</u> <u>Direct Marketing Association (DMA)</u> are starting to be reported and it is looking like the new average response rate for house lists (existing clients and social followers) has climbed even higher to nearly 9%. Initial reporting for prospect list response rates also soared to an average of 4.9%.

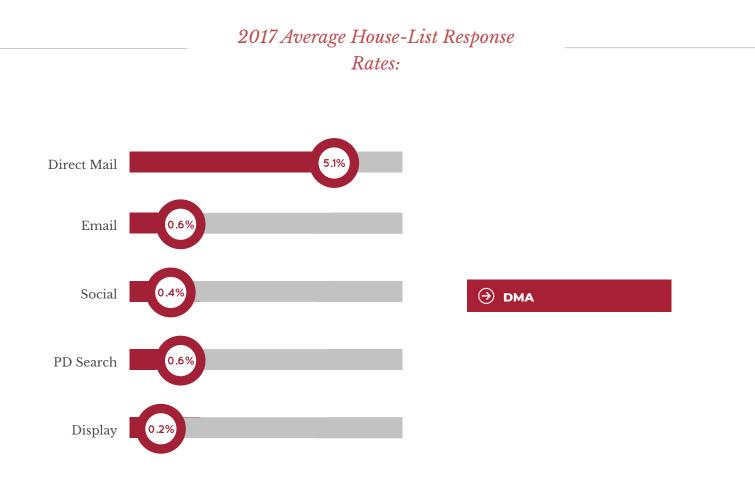
Last years numbers from the DMA show direct mail response rates way in front of all other channels – In fact, direct mail has 700% higher response rates for house lists than all other channels combined. Direct mail garnered an average of 5.1%. Email and paid search were tied for second at a mere 0.6%. Social response rates were 0.4% and online display ads came in at 0.2%. Part of the reason for such staggering response rates is that direct mail is the preferred channel for marketing messages. According to <u>Marketing Sherpa</u>, 54% of people prefer to receive these messages by direct mail, 49% prefer email but at a frequency of their choosing, and only 38% organically visit websites for offers.



Response rates are an important metric to distinguish the advantage of using direct mail but ROI also portrays a strong argument for direct mail use. The DMA states direct mail is tied for second with social media – trailing only email. Direct mail has a median ROI of 29%. This is 21% higher than paid search and 44% higher than online display.

Response rates from prospect list distributions are a bit more skewed due to CASL regulations in Canada. Since businesses are not allowed to email recipients that have not opted in or they do not have proven engagement with, direct mail ends up being a strong and natural default channel for prospects. In the US, prospect email campaigns have similar ratio discrepancies as does house list campaigns.

In the same study, the DMA also reported that 66% of people bought something because of a direct mail piece and 70% of past customers have re-engaged with a business due to a direct mail offer.



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### Conclusion

#### These are 11 compelling reasons for your business to use direct mail.

It is not an optional marketing channel in 2019. It never really was but it is clear that direct mail in 2019 is better than it has ever been.

#### It's got the right stuff.

Direct mail, in conjunction with many other channels in a multi-channel campaign boosts the results for all channels. It can be used in isolation but works better with it's counterpart channels.

Direct mail has emerged in 2019 as:

### THE NEW KID ON THE BLOCK

For a free consultation of how you can incorporate direct mail into your marketing plans, reach out to us at:



marketing@cbncs.com

