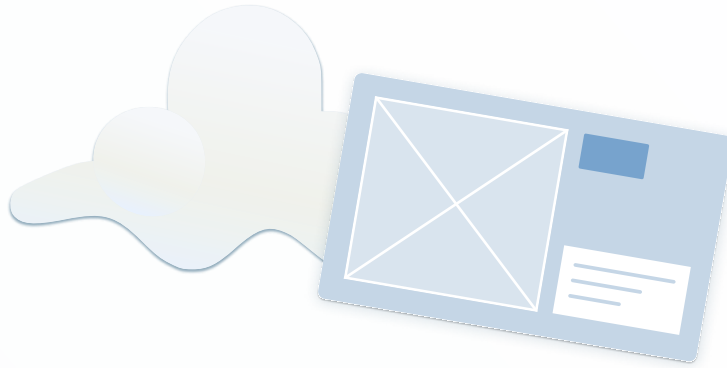




Running a Tactical Direct Mail Campaign

Discover how marketers are increasing ROI by 60% with modern direct mail campaigns.



Introduction

Some naysayers may claim that direct mail is obsolete. However, due to the proliferation of email marketing (there were nearly 7 million emails sent in the time it took to read this sentence), open rates and deliverability have fallen off. Paid channels are competitive and expensive. As you face more challenging customer acquisition and retention goals, you need efficient channels that deliver. Enter direct mail.

Direct mail has been reimagined in wildly exciting ways that have resulted in it outperforming digital marketing methods.

When digital and direct mail are combined, marketers see:

- 40% conversion rates
- 68% increased website visits
- 63% increased response rates
- **60% increased ROI**
- 53% increased leads
- 39% increased traffic to a physical store or business location
- 11% increased downloads.

Studies prove that consumers feel more valued with direct mail and trust it more — and that means they will trust your business more. Simply put: statistics consistently show that direct mail is more likely to generate a positive response than anything else online.

You can see why direct mail needs to play a pivotal role in your marketing strategy.

As the unequivocal leader in direct mail for enterprise marketers, we created this mini guide to give you the confidence to create powerful direct mail campaigns that will deliver high response rates, more customers, and more revenue.

Running a tactical marketing campaign

Planning is critical to maximizing your direct mail response and ROI. In the following pages, we outline common use cases, goals, procedures, and tips for success. We also share best practices for personalization, testing, and attribution to ensure all your campaigns are optimized for maximum ROI.

Choosing a use case

For your first omnichannel marketing campaign, it's a good idea to focus on a single use case.

1 Acquisition

GOAL: Targeting new prospects (particularly those who aren't responding over digital channels).

PROCEDURE: Send mailings with personalized information and a CTA, such as a custom offer code. Track ROI by recording how many companies utilize the code. Use other channels, such as email as touchpoints to let customers know about the offer.

SUCCESS TIP: Use data on customer interests, demographics, and any other information you have available to customize your content, tweaking the offer.



2 Conversion and postcard template campaign

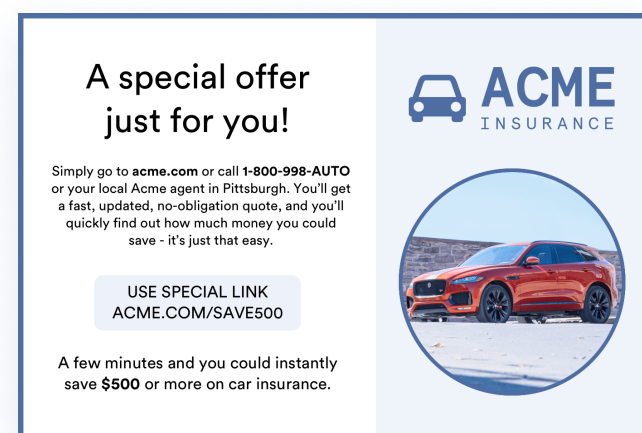
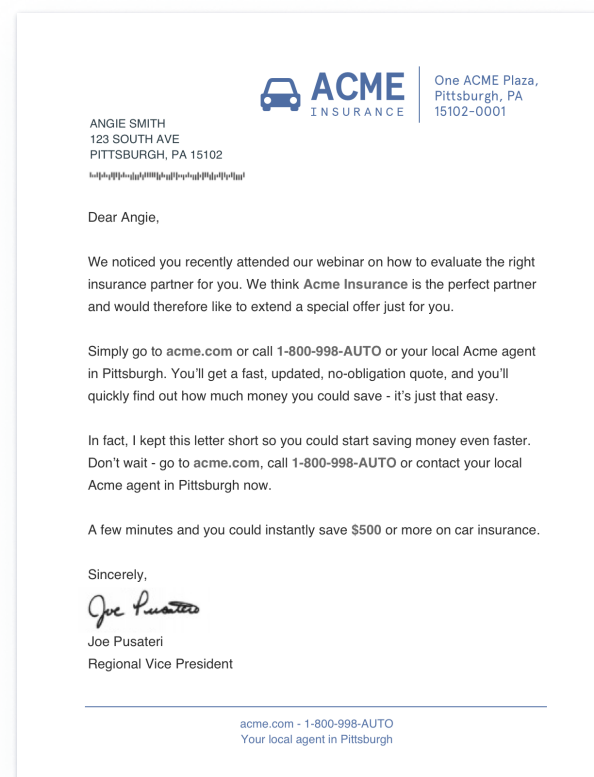
GOAL: Targeting pre-qualified leads for conversion.

PROCEDURE: Define a trigger for sending messages across multiple channels once a lead has reached a particular level of engagement or taken an action like signing up for your mailing list, or attending a webinar.

Use that qualifying event to create offers that are targeted towards the lead. For example, if a lead attends a webinar, send them an offer based on the topic you've addressed in that webinar.

SUCCESS TIP: This method enables you to start with a lot of information about the lead. Use it to fine-tune your messaging, and create a customer journey, using staggered messages across email, direct mail, and other relevant channels.

CAUTION Be sure to stagger your messages, so as not to burn your leads!

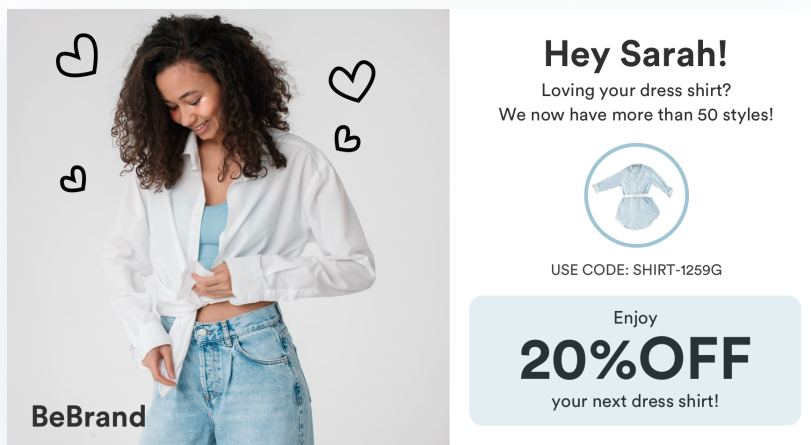


3 Upselling

GOAL: Targeting irregular customers, using new products or offers to entice them to make a purchase.

PROCEDURE: Using an omnichannel approach, send the customer one or more timed emails announcing the product ahead of time. Then, send a postcard or pamphlet to inform them when the new product is out.

SUCCESS TIP: If possible, integrate this approach into your go-to-market strategy. The better you can connect your upselling campaign to your new product rollout messaging, the more likely you are to convert.



4 Renewal

GOAL: Lowering the churn rate on a subscription service, or any product or service with a regular cadence.

PROCEDURE: Create a trigger to target customers with expired credit cards attached to their account, or those who have chosen not to renew. By sending out a reminder across multiple channels before the period is through, you can encourage customers to renew.

SUCCESS TIP: Using customized direct mail with text and imagery related to their current service can help remind customers of why they used your service, and encourage renewal.



5 Winback campaign

GOAL: Winning back former customers.

PROCEDURE: Create a trigger that activates once a certain amount of time has passed since their last order (e.g. 6 months.) Send the customer offers, discounts, and/or new product announcements based on their past purchases.

SUCCESS TIP: Sending a customer a thank you note with a discount once they place a new order can show them they're valuable, and prevent future churn.



6 Engagement

GOAL: Nurturing customer relationships.

PROCEDURE: Send customers periodic messages designed to show them you appreciate value them. You can send birthday or holiday cards with special offers, news about product launches, customer anniversary cards, or anything else that shows how much you appreciate their business.

SUCCESS TIP: Measure success by targeting one segment of your customer base with an engagement campaign, and comparing the results against a control group. See our section on Testing and attribution for more information.



Templates and assets

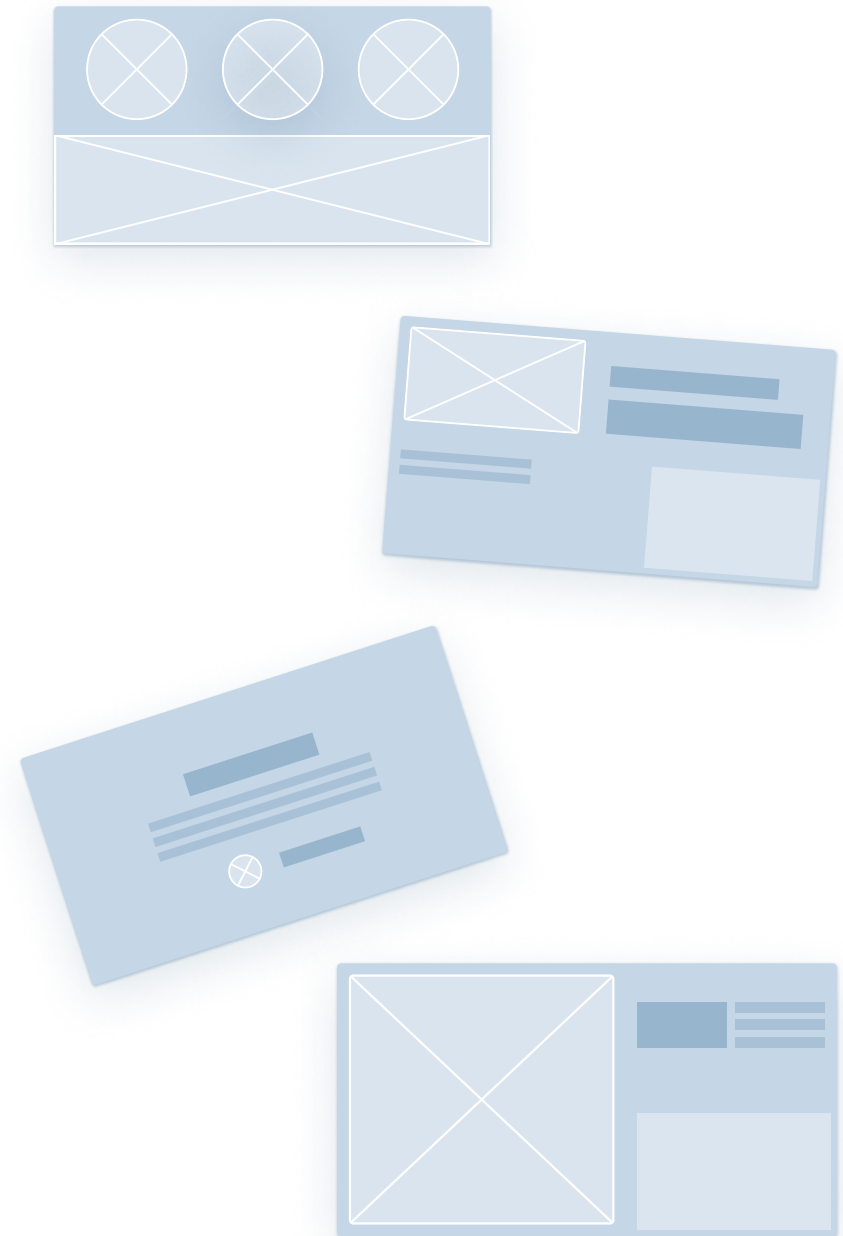
Review existing assets and build your templating strategy.

Decide which templates can be reused or repurposed, and what is outdated or not relevant at the moment. If you're taking things in a new direction, or building in more sophisticated customization, you may need to change your marketing materials quite a bit, but you should still be able to repurpose some of the content and language in your current assets.

How templates work

Templates enable you to automatically customize or personalize mail or other content according to the needs of each recipient. Each template has a number of merge variables, which can be filled in with data, such as customer name, a product image, purchase date, invoice number, or any other relevant information. When a mailing is triggered, the relevant data is automatically added, and the mailing is sent to the customer.

Lob provides a complete templating system, as well as an extensive library of templates for virtually any use case you can imagine. This makes it easy to build, edit and manage HTML templates within your system, simplifying access and enhancing productivity for all your stakeholders. Customization is simple and automatic — you can add personalized addresses, messages, and even graphics, without slowing the process or increasing cost and workload.



Templating best practices

Should your business use individual templates for each use case or a few templates with a lot of merge variables?

More variables	
PROS	CONS
• More flexibility • Highly customizable messages • The ability to update images, layout, and content to reflect changing customer needs	• Difficulty ensuring consistent messaging, design, and layout • Difficulty keeping track of all the variables and their usage • Unintuitive process for your creative team

More templates	
PROS	CONS
• Well defined style and content • Easy to use for your creative team	• Inflexible • Doesn't scale as well, as your customization gets more in-depth

Finding the right balance

We recommend an iterative approach. Plan to start your campaign with simple templates with basic variables, such as customer name, address, and relevant images. As your customization gets more in-depth, you can always revise your templating strategy for added flexibility.

Tip: Factor bottlenecks into your templating strategy. For example, if legal review takes a long time with each new piece of content, you're better off using more variables to get more mileage out of individual templates.

Personalization

Learn how to add customer details and other relevant information to direct mail.

Personalization will have a huge impact on the success of your campaign. Recipients are much more likely to connect with a timely, relevant message meant for them specifically than a blanket creative meant for any generic customer.

With Lob, your ability to add personalization becomes essentially unlimited, including:

- Customers name
- Addresses and terms of address
- URLs
- QR Codes
- Unique promotion codes
- Messages
- Images and graphics

How to trigger personalized content

Personalization occurs in real time, according to the triggers you define. You can mix and match URLs, graphics, messaging and other factors to create content that's perfectly tuned to the needs of each recipient without adding delays or cost issues — something that's impossible with legacy workflow.

Effective personalization requires smart segmentation and intelligently designed triggers. A range of factors can be used to segment your customer base, including:

- Customer personas
- Geographical location
- Demographic information
- Order history
- Customer lifecycle

Triggers also serve as a method of personalization, because they enable you to target a recipient based on their current needs.

Personalized example

We recommend an iterative approach. Plan to start your campaign with simple templates with basic variables, such as customer name, address, and relevant images. As your customization gets more in-depth, you can always revise your templating strategy for added flexibility.

TRIGGER: A new visitor begins their checkout and then abandons their shopping cart.

DATA: Even if they've never visited your storefront or engaged with your brand before, you know what products they were interested in, that they were interested in your company and that they've (hopefully) put off purchasing the item or else purchased it from a competitor. You also know other information from their visit, such as where they entered your website (and possibly what Google search got them there), and what pages they were looking at while choosing the product.

SAMPLE EVENTS: By using the abandoned shopping cart as a trigger, you send highly personalized messages on direct mail (if they entered their address), email and other channels. Your trigger immediately sends them an email offering a discount on the select products or their first order, then backs it up with a direct mail offering a few days later.

ALTERNATIVE EVENTS: Personalization can be configured according to the needs of your industry. In an industry with a long buyer's journey, the campaign would send them a complementary buyer's guide, an offer for a free consultation, or some other content designed to help them take the next step.

The power of personalization

Once you've set up the rules, the trigger will run on its own for as long as you wish, sending out perfectly timed and customized messages across any channels you chose with no need for further intervention. You can go as granular as you want, using virtually any customer, product and segmentation information to customize your approach, and continuously refining that approach based on ROI, customer feedback and other new data.



Testing and attribution

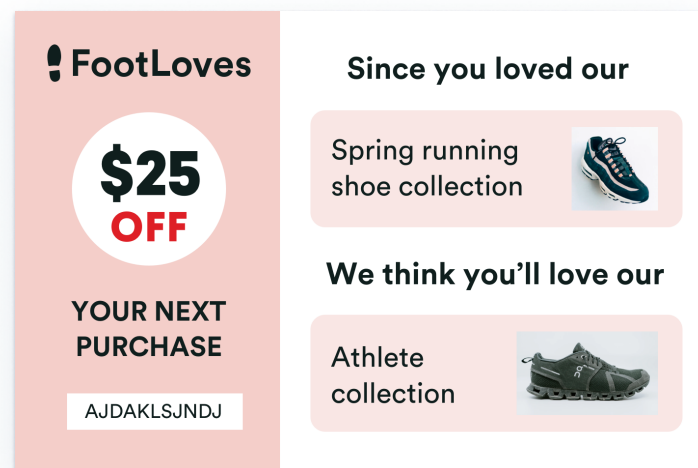
Learn how to test and refine your direct mail campaign.

Testing your direct mail marketing campaign in a measurable way is absolutely crucial for a successful rollout. Testing enables you to show ROI, while gaining buy-in and experience. Testing isn't just a way to evaluate the project, however — it's a crucial part of your workflow going forward. It's what enables you to finely hone your message, and find out what triggers and segmentation practices work and what don't.

What should I test?

For your first test, it's a good idea to test a new trigger or strategy that can demonstrate ROI. For example, let's say you have a cohort of 1,000 customers with similar demographics and order history. You might want to test upselling them by sending half the customers a customized postcard with products similar to the ones they've bought in the past, along with a coupon code. Alternatively, you might send one group upsell emails and a postcard, and the other group just an email to see the effect of the direct mail element alone.

Tip: As you gain experience, you can run more granular tests — for example, testing different offers or messaging. In the other direction, you can run large scale tests, piloting an entire marketing strategy.



Types of testing

There are two basic types of testing:

1. **A/B TESTING:** In A/B testing, you only have one variable and two states. In the example above, the variable is the direct mail postcard; one group gets it (the test group), and the other doesn't (the control group.) Aside from that variable, everything is kept exactly the same, so you can gauge the effect of that single variable. new visitor begins their checkout and then abandons their shopping cart.
2. **MULTIVARIATE TESTING:** Multivariate testing is testing with more than one variable, although the word is sometimes used to describe tests with a single variable but more than two states.

Which type of testing should I use?

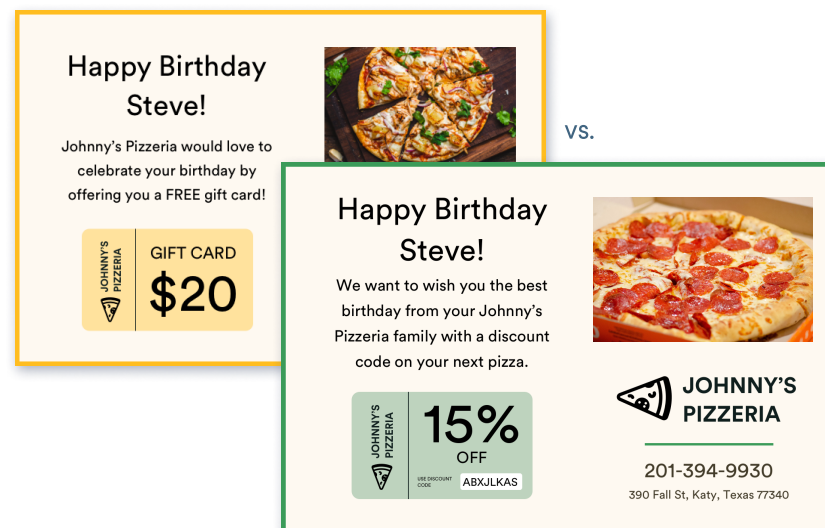
RULE OF THUMB: Your market team can use A/B testing frequently to gauge the effectiveness of different content, refine their messaging and test ROI. Multivariate testing should only be used in cooperation with your data team.

RATIONALE: A/B testing is simple, and easy to evaluate. Your marketing team can run an A/B test and reliably draw the correct conclusions from it. Multivariate testing is more complex, because you need to analyze how each variable contributes to the result. For those without data science training, it's easy to draw the wrong conclusions.

A/B Testing:



Multivariate Testing:



Testing different color, discount offer and messaging

A/B testing examples:

Test 1

GOAL: Determine which channel is more effective for a discount code.

VARIABLE: Email vs. direct mail.

PROCEDURE: Send one group a postcard with an offer. Send the other group the same offer in an email, and measure lift in each group.

Test 2

GOAL: Determine whether adding a second channel to a campaign increases lift.

VARIABLE: Direct mail alone vs. direct mail and SMS.

PROCEDURE: Send one group a postcard. Send the second group a postcard along with an SMS message. Compare lift between the two groups.

Test 3

GOAL: Determine whether short- or long-form content is more effective for an upsell campaign.

VARIABLE: Message length.

PROCEDURE: Create two separate messages in an upsell campaign, one short and to the point, and the other, longer and more detailed. Send both across multiple channels. Gauge lift.

Test 4

GOAL: Determine the effectiveness of seasonal content.

VARIABLE: Standard vs. seasonal content.

PROCEDURE: Send one group an offer, with seasonal images and content. Send the other group the same offer with standard branded images and content.

Multivariate testing examples:

Test 1

GOAL: Determine the most effective customer engagement strategy.

VARIABLE: Channel, messaging, offers.

PROCEDURE: Create several different customer engagement strategies (e.g. birthday cards with offers, birthday cards without offers, a customized newsletter based on previous purchases.) Use those strategies via direct mail, email, social media, and across multiple channels. Measure which combination of channel and messaging leads to the most lift.

Test 2

GOAL: Evaluate landing pages.

VARIABLE: Landing page.

PROCEDURE: Create 4 different landing pages. Randomly assign customers a landing page, and send them an offer linking to that page. Observe which one leads to the highest conversion.

NOTE: Although this test only contains one variable, it's considered a multivariate test since it has more than two groups (i.e. it's not an A/B test).

Test 3

GOAL: Evaluating CTA strategies.

VARIABLE: Messaging, offers, and landing pages.

PROCEDURE: Create several landing pages with different messaging, images, etc. Send customers a range of different messages and offers, with a link to one of the landing pages. Observe which combination of messaging, offer, and landing page results in the most conversions.

Test 4

GOAL: Evaluate the effectiveness of custom content.

VARIABLE: Images (custom vs. standard), content (custom vs. standard).

PROCEDURE: Create two sets of images and content for a campaign. One set consists of images and content about your most popular products. The other set uses custom images and content based on previous purchases. Divide customers into groups based on the images and content they receive and send each group their content across both direct mail and email. Measure lift.

- Standard image, standard content
- Standard image, custom content
- Custom image, custom content
- Custom image, standard content

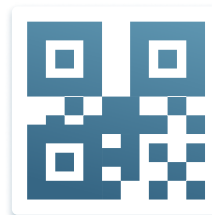
How to attribute ROI

As we mentioned earlier, there are two types of attribution: indirect and direct.

1. **INDIRECT ATTRIBUTION:** Observing trends to infer how effective a strategy is. To use indirect attribution, divide your cohort into a testing group that receives the new marketing material or strategy, and another group — a control or holdout group — that doesn't receive anything new. Track sales among both groups over a set period of time. If the testing group overall shows better sales numbers than the control group, you can attribute that difference to the new marketing material.
2. **DIRECT ATTRIBUTION:** Directly observing and measuring a particular action over time, rather than looking for general trends in a group. In direct mail, this is always a CTA — something that gives recipients an action they can take, such as scanning a QR code or entering an HTML to get a discount.

To get a complete picture, you should be using both direct and indirect attribution. Direct attribution will tell you how successful your CTA is, but there are effects it can't measure. For example, it won't show you if recipients are more likely to order in the future even if they don't use the QR code. Combining CTA (direct attribution) and overall lift (indirect attribution) will tell you more than either technique individually.

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PROMOTION CODE
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Putting it all together

Successful direct mail starts with a tactical approach, but it doesn't end there. Lob can help you every step of the way. We'll help you plan and implement a modern direct mail solution and replace the complicated workflow of printing, negotiating, and sending mails with a seamless and automated solution, using our nationwide network of printers. We'll help you build and run the right direct mail program for your company.

Get even more tips and tactics in the [Direct Mail Tactics Playbook](#).



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