UNITED STATES
POSTAL SERVICE ®

The Future of Direct Mail Is Here and It's Dynamic

TABLE OF CONTENTS

It's Time to Reevaluate Mail

Marketers think they know all the facts about direct mail. The memorability of the medium: higher than most.[1] The response rates: 9% with a house list.[2] The personalization possibilities: infinite. These factors have made direct mail an effective print marketing tool, though one that's unappreciated.

Now, that story has changed. Today's mail is categorically different. Inherently digital, it drives customers to action across every stage of the customer journey. Welcome to the dynamic world of direct mail, where every interaction can create action.

Conducting proprietary research, we found that a more dynamic approach to direct mail is the way forward. It's established a new place in marketing strategies and yearly budgets, all thanks to its effectiveness.

Through retargeted direct mail, Informed Delivery® notifications and Informed Visibility® tracking, companies can now begin tapping into the power of mail to drive results in an omni-channel ecosystem.

In the coming pages, we'll dispel common myths about direct mail, replacing them with hard-won truths, and provide tips for marketers looking to merge digital and direct mail into a brand new paradigm.

40% conversion rates when digital and direct mail are combined [3]

68% of marketing repondents said combining digital and direct mail increased website visits. [4]

60% of marketing respondents said combining digital and direct mail increased ROI. [4]
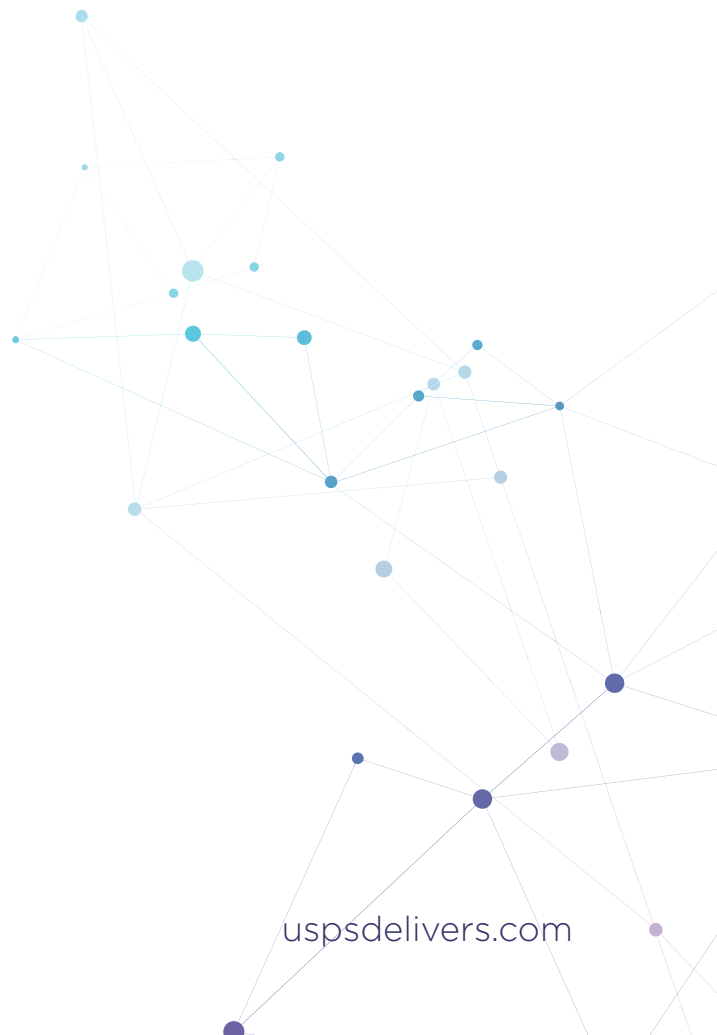
The Latest Innovations

For years, the story of digital and direct mail has been dominated by QR codes®*, augmented reality (AR) filters, near-field communication (NFC) tags, virtual reality (VR) apps and more.

Now, three digitally driven innovations are changing the landscape and upending how marketers use mail.

Myth

Direct mail has peaked.
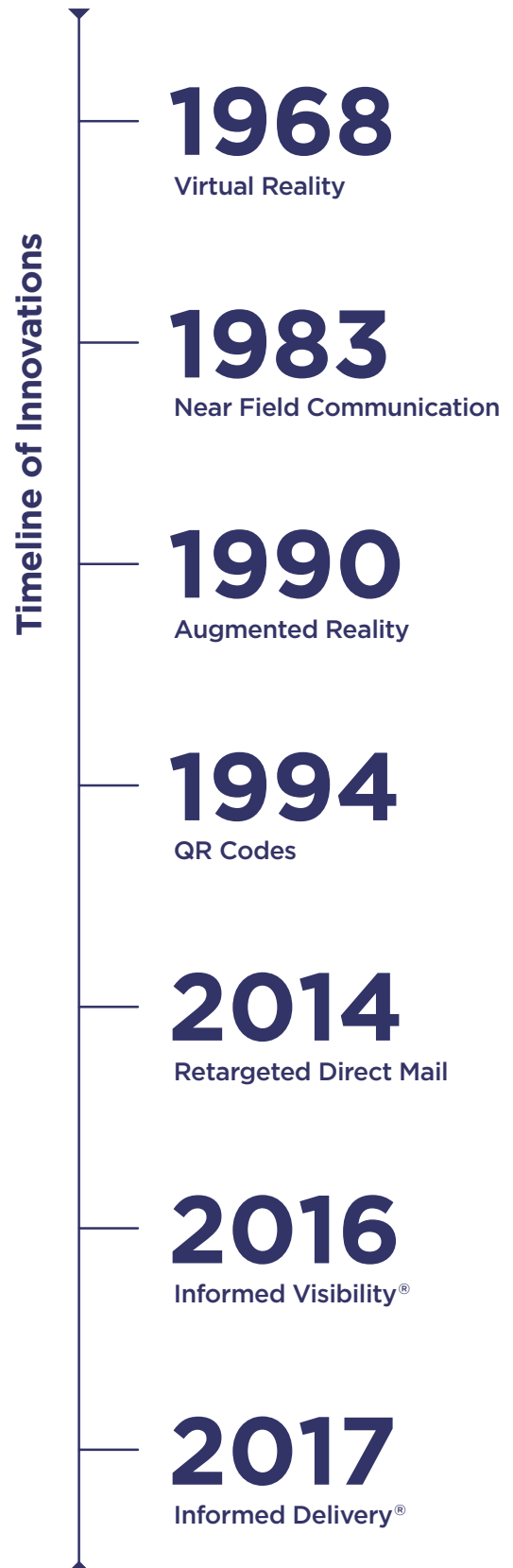
Fact

Three innovations are making direct mail more intelligent and effective than ever before.

*QR code is a registered trademark of Denso Wave Incorporated.

Timeline of Innovations

1968
Virtual Reality

1983
Near Field Communication

1990
Augmented Reality

1994
QR Codes

2014
Retargeted Direct Mail

2016
Informed Visibility®

2017
Informed Delivery®

UNITED STATES POSTAL SERVICE ®

Retargeted Direct Mail

How It Works

With programmatic technology, companies can now see what actions customers take online—whether on a website, email or through social media. Leveraging that information, they can then retarget customers with personalized direct mail sent within 12 to 24 hours of the initial interaction.

The Benefits

Mail can be hyper-targeted and sent while a brand and products are top of mind. Marketers saw a 300-400% lift in conversion rates when targeting cart abandoners specifically.[5]

Survey Says

65% of marketing respondents reported an increase in **website traffic**[4]

47% of marketing respondents reported an increase in **conversions**[4]

Myth

Direct mail takes weeks to create, design and send.

Fact

With retargeted direct mail, a mailpiece can be sent within 12-24 hours of a digital interaction.

Digital Interaction

DM Piece Sent

Digital Interaction or In-Store Action
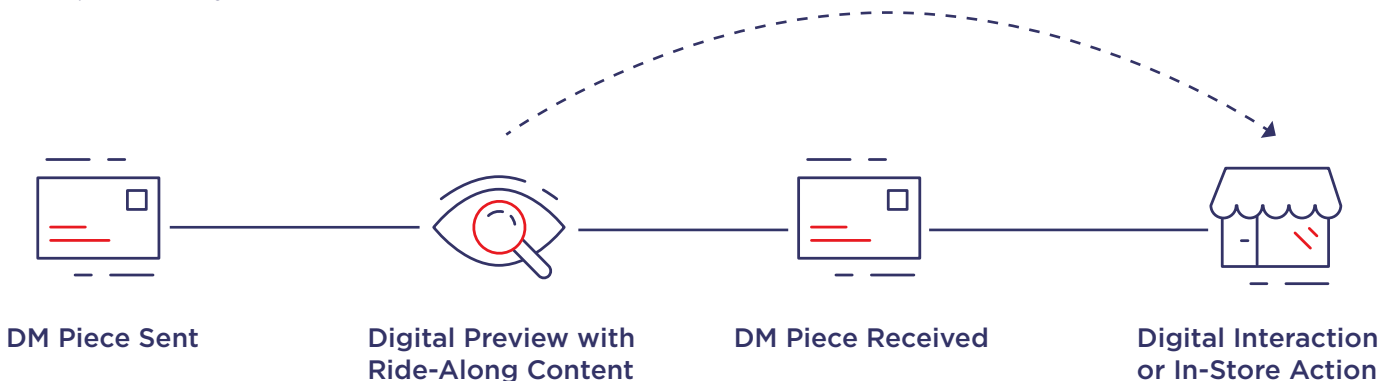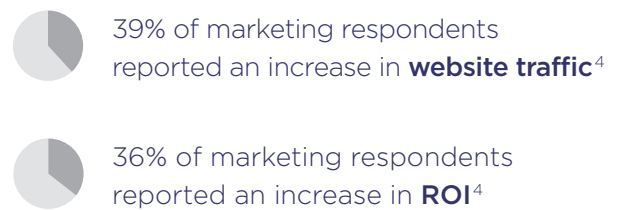
Informed Delivery®

How It Works

With Informed Delivery notifications from USPS®, companies can connect direct mail and digital marketing strategies. The feature provides customers with a daily preview of their mail, showing exterior images of letter-size mailpieces—all viewable via USPS mobile app, email notification or online dashboard.

In the preview, customers also can access digital ride-along content associated with a direct mail campaign. This content can drive them to a company's website, social channel, app, video and more.

The Benefits

This triple impression allows users to interact with digital content associated with their mailpiece. It also provides marketers with valuable data, such as email open rates and click-through rates. In fact, 68% of notifications are opened daily.[6]

Survey Says

39% of marketing respondents reported an increase in **website traffic**[4]

36% of marketing respondents reported an increase in **ROI**[4]

DM Piece Sent

Digital Preview with Ride-Along Content

DM Piece Received

Digital Interaction or In-Store Action

uspsdelivers.com

Informed Visibility®

How It Works

This tool from USPS® provides end-to-end mail tracking for barcoded letters, flat pieces, bundles and more. Leveraging Informed Visibility tracking, marketers can know when mail has been delivered.

The Benefits

By monitoring mail tracking, marketers can instantly coordinate their efforts on complementary digital channels like paid media and social. This helps ensure omni-channel campaigns are both timely and optimized for effectiveness.

Survey Says

48% of marketing respondents reported an increase in **website traffic**[4]

DM Piece Received   **Marketer Alerted**   **Campaign Activated**

UNITED STATES POSTAL SERVICE ®

The Facts to Remember (and the Myths to Forget)

In conducting our research, we spoke to marketing decision-makers across four industries: retail, digital commerce, financial services and telecommunications. The results upended years of sniping at direct mail as an old and ineffective medium. Direct mail that's more dynamic tells a whole new story.

Myth

Marketers have stopped relying on mail.

Fact

Our survey found marketing respondents were committing 30% of their budgets to direct mail. Their goals: for digital and direct mail campaigns to drive purchasing, site visits, sign-ups and store visits.

The Postal Service has felt the lift, with spend on its USPS Marketing Mail® product up $184.1 million year over year.[7]

The Goals for Coordinating Digital and Direct Mail

According to marketing decision-makers[4]

Purchasing

71%

Visiting a website

67%

Getting sign-ups

41%

Visiting a physical store/business location

40%

Downloading an app or asset

21%

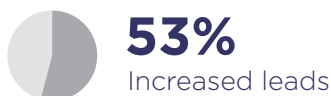**Revisiting an abandoned cart**

13%

The Results of Coordinating Digital and Direct Mail

According to marketing decision-makers[4]

68%
Increased website visits

63%
Increased response rate

60%
Increased ROI

53%
Increased leads

39%
Increased traffic to a physical store or business location

11%
Increased downloads

Myth

Direct mail is ineffective at driving digital actions.

Fact

Direct mail that's more dynamic drives website visits, increases digital response rates, lead generation and ROI.

Where Digital and Direct Mail Coordination Was Most Effective

According to marketing decision-makers[4]

51%
Awareness

68%
Consideration

52%
Transaction

16%
Usage

13%
Advocacy

Myth

Direct mail only penetrates the upper marketing funnel.

Fact

In our survey, marketing respondents found direct mail to be effective across the entire customer journey.

How Companies Are Coordinating Campaigns

According to marketing decision-makers[4]

80%
Drive traffic from direct mail to digital channels

76%
Integrate a unique URL or discount code in direct mail

61%
Timing digital media once direct mail is delivered to customers

51%
Sending personalized direct mail based on online behavior

49%
Creating a digital version of direct mail

15%
Using QR codes®* in direct mail

7%
Embedding AR or VR in direct mail

Myth

Mail is siloed and unable to integrate with other channels.

Fact

Marketing respondents regularly coordinate mail and digital channels 60% of the time.

*QR code is a registered trademark of Denso Wave Incorporated.

Gear Up for Digital and Direct Mail Integration

Ready to add dynamic digital mail into your marketing mix? We unearthed common issues marketing respondents face when coordinating both channels. Learn how to tackle them in the tips ahead.[4]

Production Time

61% of marketing respondents said the length of a standard direct mail production cycle hampered the coordination of campaigns.

PRO TIP

Direct mail campaigns don't have to have long production cycles. Avoid odd mailpiece shapes and sizes as well as unnecessary finishes to save time. Better yet, work with a printer with the best automation technology. That way you can leverage machines with camera matching capabilities to help get your mailpieces out sooner.[8]

Price

59% of marketing respondents attributed their issue with coordinating digital and direct mail to production costs.

PRO TIP

To cut costs, bid multiple printers. During the vetting process, determine which one can most efficiently deliver the direct mail campaign you have in mind. You also can create templates of your direct mail to prevent having to design new pieces for each marketing effort.[9] This is a key part of retargeted direct mail, allowing you to run "always on" campaigns that can be sent after any digital interaction.

Gear Up for Digital and Direct Mail Integration

Silos

55% of marketing respondents said siloed data challenged integration efforts.

PRO TIP

To truly integrate teams, consider consolidating data management systems and creating a single customer data platform for marketing and sales. By conducting an audit of each department's data collection methods, your company can decide what can be merged or discarded.[10] After assessing your systems, get management to invest in cross-functional training for your teams.[11]
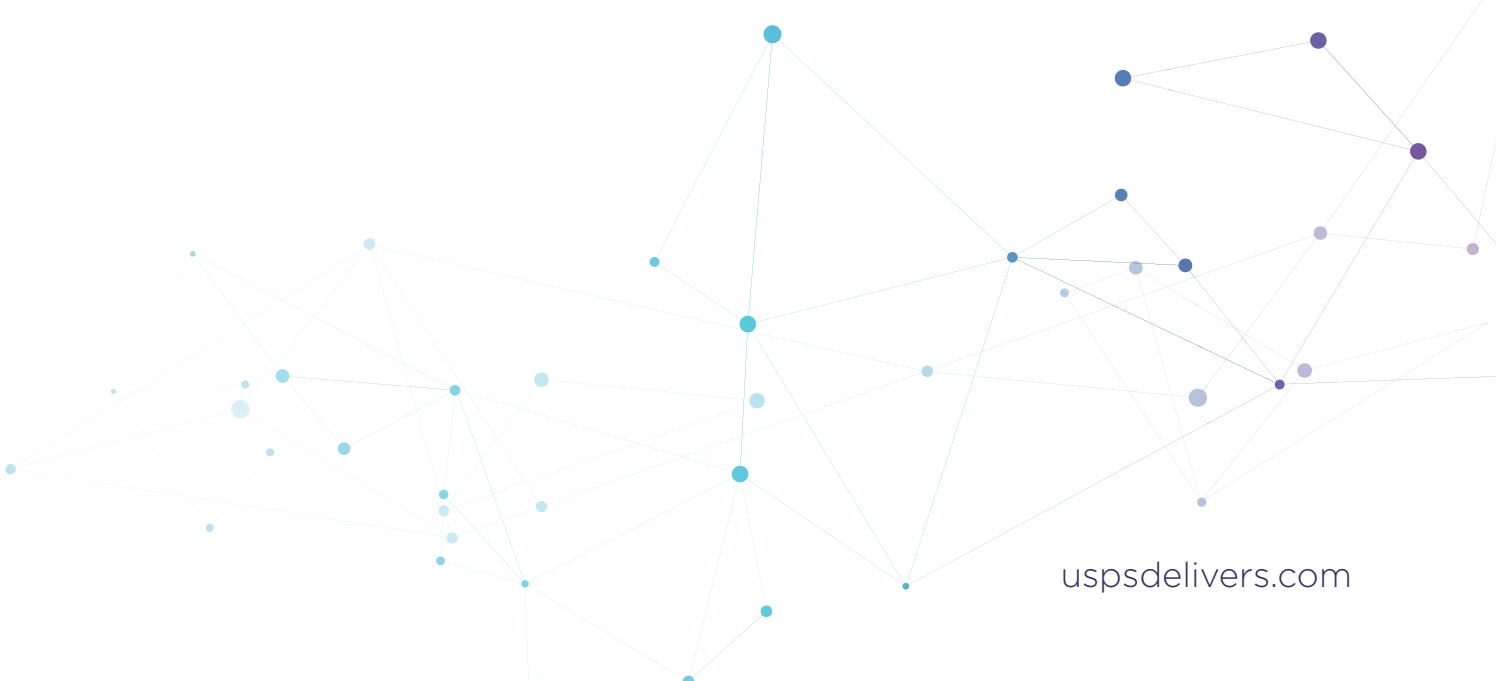
Lack of Integration

43% of marketing respondents said the lack of integration of DM within media planning and agency processes prevented coordination.

PRO TIP

Create a culture of communication between your company and your agencies and mail service providers (MSPs), allowing you to align on omni-channel strategies and share necessary documents.[12] This can help during campaign planning, when your agencies, MSPs and internal teams can share omni-channel data.

Gear Up for Digital and Direct Mail Integration

Lack of Buy-In from Leadership

21% of marketing respondents cited a lack of support from leadership.

PRO TIP

Gather analytics on your current channels and decide where direct mail can help improve digital campaigns. Once you have your learnings, involve stakeholders early on and show them the value of integration. Tailor your messaging to executives' motivations and keep them in the loop about the progress of your projects.[13]

Expertise

16% of marketing respondents stated a lack of knowledge about direct mail hindered their efforts.

PRO TIP

To boost your direct mail expertise, explore our site. We have content covering: retargeted direct mail, Informed Delivery® notifications and the National Postal Forum, the annual mail industry conference. Be sure to promote a culture of mentoring, professional training and cross-discipline work-sharing as well.

![UNITED STATES POSTAL SERVICE ®]

Key Takeaways

Direct mail has fundamentally changed in recent years—and for the better. What once was a staid print medium has become a hyper-targeted marketing tool powered by digital intelligence.

• Retargeted direct mail, Informed Delivery® notifications and Informed Visibility® tracking are making mail more intelligent and effective than ever before.

• Marketing respondents are hoping for digital and direct mail campaigns to **drive purchasing, site visits, sign-ups** and **store visits.**

• Research shows that a more dynamic approach to direct mail drives **website visits, increases ROI, response rates** and **lead generation.**

Thanks to the latest innovations, companies can now achieve their marketing goals from awareness through purchase and beyond, earning repeat sales. Direct mail that's more dynamic has reworked the very fabric of a physical channel, bringing it in lockstep with digital. The time for doubt and skepticism has passed.

A more dynamic approach to direct mail has arrived, with the potential to create action from every interaction.

FOOTNOTES

1. "RARC-WP-15-012 Enhancing the Value of the Mail: The Human Response," Office of Inspector General, United States Postal Service, 15 June 2015.

2. "Response Rate Report 2018," ANA & DMA, 2018.

3. Al Urbanski, "Will Programmatic Direct Mail Be the New Growth Channel?" Direct Mail News, March 3, 2016.

4. "Direct Mail Conversion Research," USPS, February 2019. Please note: All statistics were based on a survey of 75 marketing decision-makers.

5. Dave Cesaro, "Leveraging Trends in Digital Marketing to Use in Direct Mail," National Postal Forum, May 8, 2018.

6. "Informed Delivery® User Survey," United States Postal Service, April 2018.

7. "Top 100 Report – January, FY19," USPS, February 15, 2019.

8. "Cutting Your Direct Mail Production Costs to the Bone," The PMG Group, October 2016.

9. "5 Ways to Lower Direct Mail Costs," Streamworks, July 24, 2018.

10. "How to Breakdown Data Silos: Problems and Solutions," Status.net.

11. "5 Ways to Breakdown the Data Silos that Hurt Customer Experience," Wootric, July 11, 2018.

12. "An Integrated Approach: Getting Your Agencies to Work Together," Stickyeyes, August 24, 2016.

13. "6 Ways to Increase Buy-In from Project Stakeholders," Techrepublic, April 12, 2018.