

# The Ultimate Guide to Direct Mail Marketing

Unlock everything you need to know to launch a successful campaign including the audience list, the offer and the creative.



**TRAK**

# Creating a Winning Strategy Starts **Here.**

Are you looking to bump up your marketing game and get your brand directly into the hands of the people who need it? One of the best ways for any brand — big, small and in-between — to significantly increase their marketing success rate is to add a **direct mail** component to omnichannel efforts. This ebook will cover everything you need to know about direct mail advertising so you can experience the same success as other brands!

## Direct Mail is Hotter Than Ever.

Surprised? You're not alone. Many marketers have the misguided belief that direct mail is outdated and ignored now that we're constantly on our phones. That's simply not the case, and several familiar brands know it - take **HelloFresh, Warby Parker, WayFair and even Amazon**, for example. All are integrating direct mail into their multi-channel campaigns, because...well, it works!



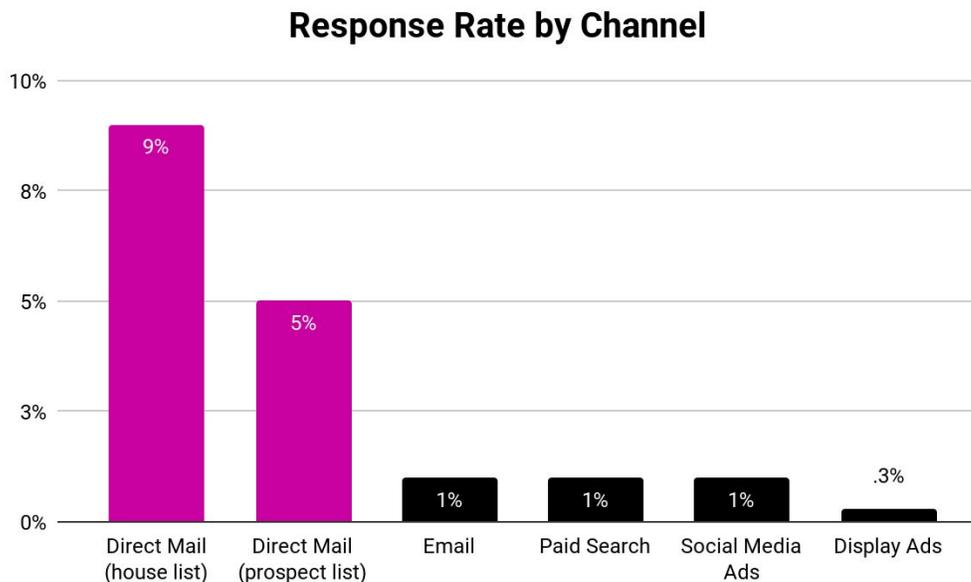
**“We really see digital and direct mail as synergistic tactics to to accelerate digital adoption.”**

Fabioloa del Rio  
Director of Community Marketing  
Panda Express

*\*Launched a direct mail campaign that doubled online sales nationally compared to digital*

# Want to Drive Response? Go **Direct Mail**.

Research shows that direct mail marketing has consistently produced some of the highest response rates among all marketing channels. While postage mail volume has declined over the years, direct mail response rates have always remained a top performer. In fact, direct mail response percentages currently top those from all digital marketing channels.



## The Direct Mail Difference is Real.

While digital-first marketers are experiencing challenges with crumbling cookies and spiking CPMs, direct mail is the original personalized, “addressable” marketing channel. Sometimes returning to the basics has its dependable advantages.

In a world oversaturated with on-screen sales and email marketing messages, direct mail’s success may be by virtue of its transparent and simple nature - it’s hand-held, tangible and carried into the home or business personally. Anymore, direct mail is actually a different way of breaking through the online clutter. With more and more audiences correlating emails with “junk”, physical mail to the home or business is now widely considered more trustworthy. According to a study by InfoTrends, “Millennials reported reviewing about 67% of their direct mail pieces, and this is consistent with the open rates for older generations.”



Not only does direct mail offer a physical presence, but most major purchase decisions are made following conversations had in the home. When emails can be read anywhere - work, school, on vacation - direct mail is received, opened and processed at home and can be shared and talked about with others.

## Omni-Channel Campaigns That Include Direct Mail for the **Win!**

Does that mean you shouldn't continue your digital and social campaigns? Quite the opposite. When direct mail is part of a multi-channel marketing effort that includes email, social ads or even traditional advertising like TV and radio, brand recognition and trust increases.

**Incorporating direct mail into a multi-channel campaign typically increases conversion rates by more than 30%.**

Not only does direct mail get the job done when it comes to driving responses from your target audience, it also stands out from the sea of other advertising options.

**70%**

Of consumers say direct mail is more personal than online interactions.

**28%**

More money spent with a brand for people who received direct mail.

**90%**

Of direct mail is opened, compared to only 20-30% of marketing emails.

**64%**

Of millennials prefer to receive advertisements through the mail.

# Get to Know the Lingo.

Understanding some of the common direct mail terms can help you understand the process a little better.

**Direct mail** - A form of marketing that includes sending a physical piece of mail to a home or business. The form of direct mail can be anything from an eye-catching postcard to a large package with the purpose of marketing a brand, product, service, event or philanthropic opportunity.

**Data** - For the purpose of this direct mail guide, “data” is a mailing list with names and physical addresses. This list can be defined by individual or household attributes.

**First-party data** - Information a brand has collected directly from customers. First-party data is often customer information gathered from past purchases, through the brand’s website, from other digital interactions, and can include names, addresses, emails, behaviors, product preferences, etc.

**Third-party data** - Information collected from external sources, like what TRAK offers. This data is collected, segmented and sold to marketers or companies for advertising use.

**Predictive model** - Predictive models use available data to predict specific actions or events in the future. At TRAK we use predictive analytics by applying our consumer database — including demographics, behaviors, and interests — as well as a brand’s current customers and responders. The output is a lookalike or response model that identifies high value prospects.

**Data enhancement** - Data companies can append, enrich and enhance first-party variables to identify more detailed information about a brand’s current customers for better third-party data matches.

**Deduping data** - A process used to eliminate duplicate data records. A sophisticated matching algorithm finds and corrects duplicate records by identifying duplicates, common misspellings (e.g. Brain instead of Brian) and multiple names used for the same person (e.g. Nick vs. Nicholas).

**Decile** - A method of splitting audiences into subsections — ranked on a scale of one to ten in terms of how closely the individual looks like the seed file. When companies like TRAK build a model, your top deciles are going to be your most promising prospects.



# Get to Know the Lingo.

**A/B direct mail tests** - If a company wants to evaluate variables in a direct mail campaign, they can split a portion of the mailing to see how the variables perform against each other.

**Match-back measurement** - A method of measurement that matches the targeted audience file with a file of people who took the desired action with the brand. If people in the mail data match to people on the purchased data, the event is considered a conversion, and a successful effect of the campaign.

**NCOA Verified** - NCOA stands for National Change of Address database. Quality data providers, like TRAK, ensure their marketing database is NCOA verified so that it reflects an individual's or household's most up-to-date address.

**CASST<sup>TM</sup> Address Standardization** - CASS stands for Coding Accuracy Support System, a certification system from the United States Postal Service (USPS) for address validation. A CASS-certified address validation service will standardize your mailing list, update outdated addresses, and verify that addresses are valid and complete. TRAK's data is CASS-certified.

**ZIP Plus Four** - ZIP+4 Codes are the first 5 digits of the zip code as well as the last 4 digits, making the entire 9-digit postal ZIP code. The first five digits of a ZIP code indicate the post office or delivery area, the last four (+4) represent delivery routes for an area. Using ZIP+4 ensures more accurate processing and delivery.



# Answer These 5 Questions to Build Your Perfect Direct Mail Strategy.



## What is the strategy?

Direct marketing experts agree - strategy matters. With the right research and planning at the beginning of the direct mail process, you can ultimately increase your rate of success while also saving time and money. Think about:

**Who you need to reach.** Market segmentation involves identifying a subset of the audience you need to reach. If you need to reach new customers, are they aware of your brand yet, or will you be introducing them for the first time? If they are currently or have been customers in the past, what do you need them to do again or differently? Or maybe you're offering a product or service a certain type of person will be interested in. Once you've identified who you generally need to reach, you can develop a more detailed set of demographics and characteristics to generate a quality mailing list. We'll talk more about that in a minute.

**Your budget.** And be realistic. Based on the number of people you need to reach to generate the response you'd like, what is the budget required to experience success? Consider design and packaging, printing, postage and whether the direct mail is part of a multi-channel effort that will involve other budget allocations.

**Timing.** When your mail will be delivered? Will it be a single mailing or a series that builds upon itself? Does it matter when it arrives in mailboxes or front doors? Does it need to be in hands before an event, sale or season?

**Channels.** If it is part of an omnichannel campaign (and for better results, it should be), when does each channel launch, hit mailboxes, email inboxes, news feeds or TV screens?

# #2

## Who is the audience?

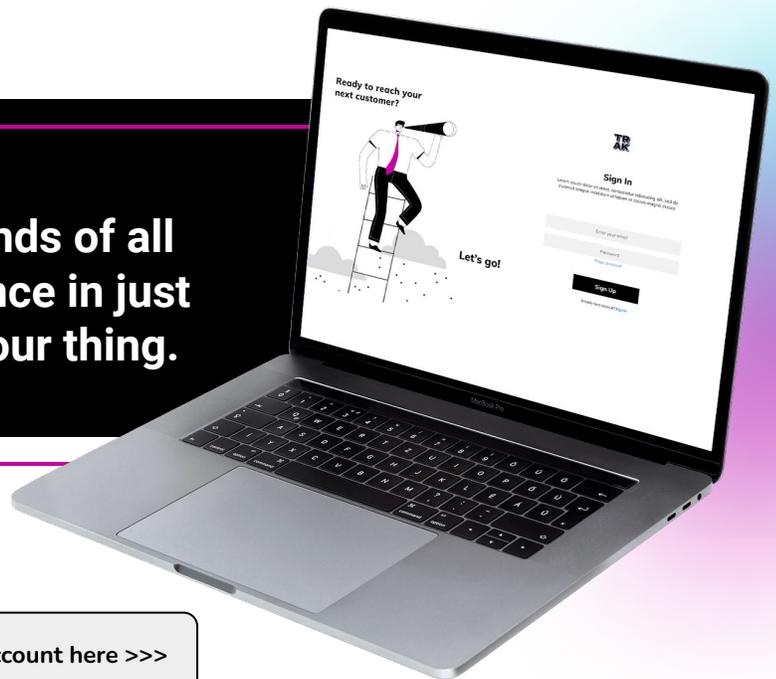
Smart marketers ensure direct mail pieces are customized and end up in front of the right recipients through a process called predictive modeling, creating a “lookalike” audience. Typically, modeling starts by taking a closer look at existing customer data, called “first-party data.”

Even when a campaign goal involves attracting new customers, first party data is valuable for the insight it provides into people who currently value the brand, products or services. A predictive audience model allows marketers to identify their most valuable customers by analyzing thousands of individual level data points - like age, gender and income - and billions of combinations of data points to identify users that look the most like their original client base. It’s kind of magical, really. (And exactly what TRAK’s platform does for marketers, agencies and printers!)

You can’t forget the essentials either. Even if you want to use your own in-house file for targeting, you’ll want to ensure your data is accurate, clean, deduped (scrubbed of duplicate entries so you’re not spending unnecessary money to mail the same household with the same campaign more times than you need to), and formatted correctly for use by printers and USPS. (P.S. - The TRAK platform can help users do these exact things, too!) Skipping this step will result in piles of “return to sender” notices and wasted postage and printing costs.

### MARKETING HACK

**TRAK helps marketers & brands of all sizes craft the **perfect** audience in just a couple of clicks. It’s kinda our thing.**



Get your free account here >>>



# #3

## What is your creative approach?

When it comes to direct mail, design includes both the outside packaging and inside creative. This is also where your strategic planning can help save time. By identifying who you need to reach, and ensuring the data reflects this, you will know how many people you're mailing, what they need to learn from the piece, and the approximate budget you have to work with for design, packaging and mailing costs.

Design the packaging, graphics and message with your budget, the customer problem, and your solution in mind. A postcard could be a quick and easy (not to mention a less costly) way to announce a sale or special event. An oversized envelope can be intriguing, especially if it holds something bulky, and is often opened solely out of curiosity - but it also might require a larger budget or a smaller mailing list.

The creative process can be fun, but always keep an eye on the goal of the campaign. Don't let the "cool" factor outweigh effectiveness. The problem/solution needs to be clear and the call-to-action (CTA) easy to follow. Shop online/donate now can be accompanied by a QR code that takes the recipient straight to your website. "Visit our store" supplemented with a small map to identify exactly where you're located. "Buy tickets by January 2 for \$20 off!" or "Schedule a free consultation now!" followed by your phone number. You get the idea.

Creative Type	Average Response Rate
Oversized Envelopes	5%
Postcards	4.25%
Dimensional Mail or > .75 in thick	4%
Catalogs	3.9%

Source 



# #4

## Who will handle the mailing?

While smaller direct mail campaigns can potentially be handled in-house, they will still require proper customizing, address labeling, sorting and postage. For this reason, outsourcing to printers and/or mail-house services may be more efficient. Some printers will label but not mail the pieces. Other printers will print, sort and mail, so be sure to check with the printer if you'd like full-service direct mail capabilities.

Something worth noting: good data includes standardized mailing addresses, which adhere to USPS standards. This includes standard abbreviations and complete 9-digit zip codes. Having a standardized mail list ensures your mail will land in the right mailbox and in a more timely manner.

This is one reason so many marketers turn to TRAK. They know our data is CASS standardized and **100% direct mail ready!** Just build a list and send it to your mail partner - they'll be thrilled to receive such amazing, clean data that's ready to go.



### MARKETING HACK

**Nonprofit organizations may benefit from nonprofit postage rates. These need to be set up with the post office in advance, are printed on the mail piece and may take some time, so plan accordingly.**



## How will you measure success?

How you determine whether your campaign is a success depends on your overall goal. Outside of awareness campaigns, where marketers are simply interested in increasing brand recognition, most campaigns involve a direct CTA, like “buy now”, “register today” or “schedule a call.” Key performance indicators (KPIs) of the campaign involve tracking conversion rates - the percentage of people who took that action.

For example, if your CTA is to buy online, your campaign KPI should track website sales during a certain timeline of the campaign. If the CTA is to register for something or attend an event, your KPIs will include tracking registrations and attendance, respectively.

It's important in both developing the strategy and measuring your success to understand the difference between your audience engaging with your brand and actual conversions. Your CTA should reflect your end goal (visit our website vs. purchase a product), and if your desired success means higher sales, measure based on increased sales, not website visits. You may see a win in increased website visits, but ultimate success should be measured by actual sales. Additionally, finding that you increased website visits, but didn't increase sales, can help you identify other kinks in the customer journey that may need some work before sales improve.

### SUCCESS STORY

## Tax Prep Company Uses TRAK Models to Boost Conversion Rates by 400%

When a top Tax Prep Solution company found their long-time direct mail efforts declining in response rates, they decided to try something new - let TRAK create a lookalike model based on their current high value customer data. The client conducted a head-to-head test, mailing the same creative to two different lists - their existing mailing list and the new TRAK model list.

The results? TRAK's model proved to be the clear winner with 4.4x the conversion rate, a 350% increase in responses and 5.5x+ the purchase volume versus the client's existing list. Hello pudding, meet proof!



# Planning + Powerful Data = Success!

As the research shows, a good direct mail campaign can be well worth the effort, but audience matters. Taking the time to ensure your strategy is solid, including who you're targeting and how you'll reach them, will make or break your campaign efforts. With the right data, and a great mix of outreach efforts, you can place your brand in front - and directly into the hands - of the right people.

If you don't have the time or skillset to work strategically in-house, find the right partners and tools to help! In fact, TRAK's on-demand data and modeling platform is built specifically for the busy marketer looking for the data-driven advertising easy button!

And above all - give it time. With the right planning, persistence and powerful data, your campaign will be set up for sweet success!

## Top tips you can't miss.



### **DATA MAKES ALL THE DIFFERENCE.**

Consider putting your own data to work by creating a lookalike audience. Or build a custom list using third-party data attributes to precisely define and reach your target.



### **OMNI-CHANNEL = HIGHER CONVERSION RATES**

Research proves that putting your brand in front of your target audience across multiple channels, from the inbox to the mailbox to the big screen in the living room, delivers a surround sound effect that boosts conversion rates.



### **BE PERSISTENT AND CONSISTENT.**

With each campaign, you'll learn something that will improve your future campaigns. Direct mail - and great marketing - is never one and done. Frequency & consistency pays off!

Love the idea of launching a direct mail strategy? TRAK is your partner for high-performance audiences, on-demand. Our platform gives you the audience data, models, enhancements and insights you need. And if you need expertise and agency services to give your team more marketing horsepower, we've got you covered. So what are you waiting for?

**[CLICK HERE TO TRY TRAK FOR FREE >>>](#)**

