

Print and Pixels:

Increasing ROI with
Direct Mail Retargeting



Table of Contents

1	Why Retargeting
3	Challenges Impacting the Success of Today's Retargeting Strategies
8	How Direct Mail Overcomes These Challenges
15	How Direct Mail Retargeting Works
20	Incorporating Direct Mail Into Your Retargeting Strategies
23	Summary

Why Retargeting

It happens all the time

Someone visits your website, browses a few pages, maybe places a few items in their cart, and then moves on without actually making a purchase. Were they distracted? Just window shopping?

Cart abandonment is an ongoing pain point for companies in all sectors. **Seven out of ten carts are abandoned, leaving nearly \$18 billion in sales on the table each year.**¹ Re-engaging customers to complete their purchase has made retargeting a central component of today's marketing programs.

Retail is hardly alone in trying to solve for this issue. Healthcare, financial services, non-profits, and the automotive industry are just some of the other sectors impacted daily by online visitors who fail to convert during their visits. Retargeting offers solutions for everyone.

(1) Marketingland.com, Reduce Shopping Cart Abandonment At Every Step of the Customer Journey.

A missed opportunity

The majority of today's retargeting strategies, also referred to as remarketing, rely on a mix of email and display ads to re-engage the abandoning individual. These strategies have had success with a respectable **ten to 15 percent conversion rate**. However, as email and display ads each struggle with their own set of challenges, brands are looking for ways to increase the return on their retargeting activities. As a result, companies are turning to direct mail.

Increasingly, direct mail is providing a unique opportunity to re-engage customers on a personal level. **With 98 percent of people checking their mailbox each day and 66 percent of mail being opened,** direct mail not only cuts through the daily advertising clutter but has been proven to drive digital activity and influence online purchasing decisions.²

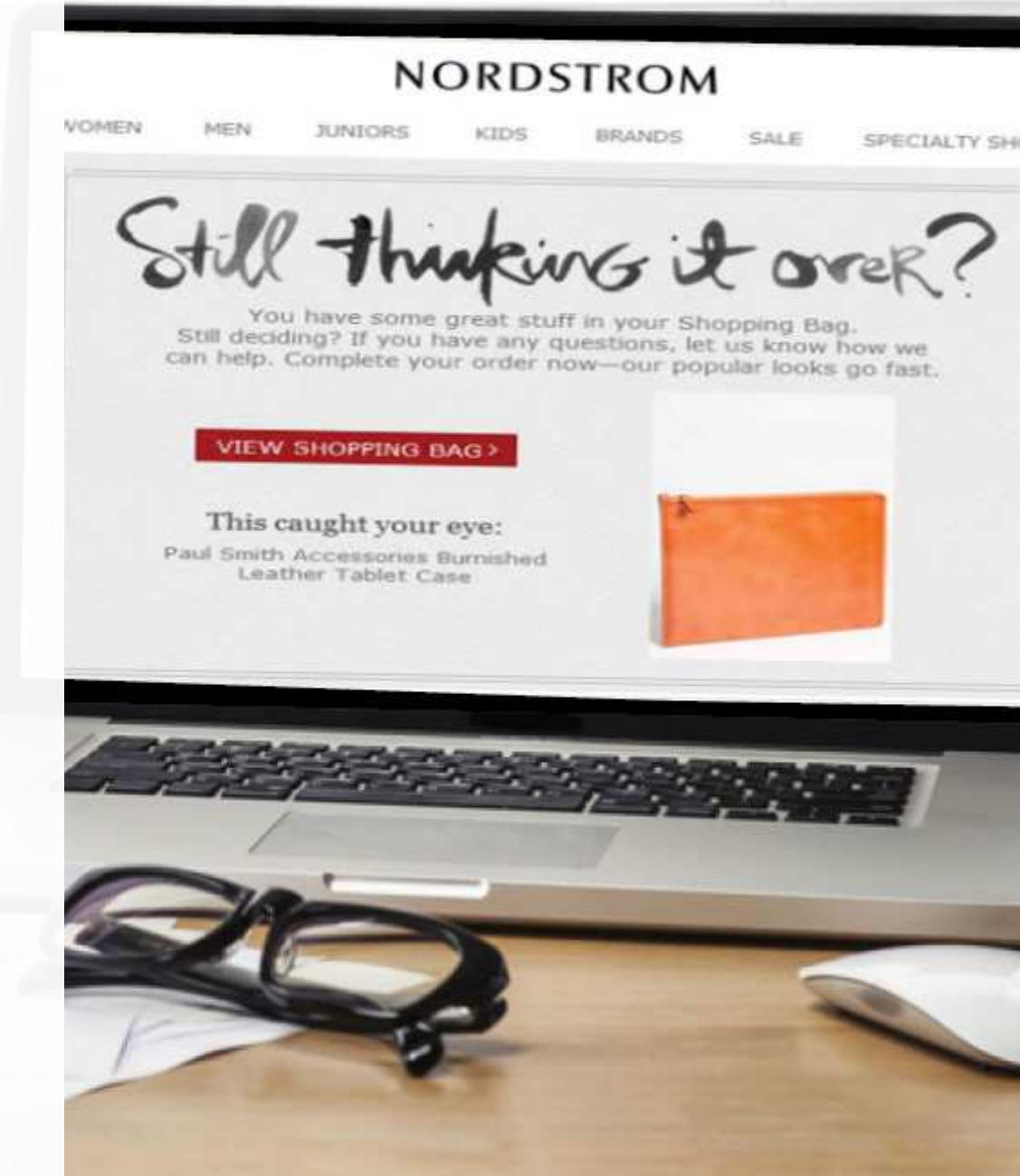
(2) USPS, Mail Moment

Challenges Impacting the Success of Today's Retargeting Strategies

As consumers increasingly “window shop” websites and abandon their carts, retargeting programs remain a key marketing strategy, and rightfully so.

While these programs have proven to be successful, performance has been waning due to:

- email fatigue
- ad blindness
- increases in ad blocking, and
- the push to address privacy concerns



Too Many Emails

Part of the problem is email overload. With **the average U.S. adult receiving over 100 emails per day**, today's inbox is overcrowded and extremely competitive.³ In fact, 74 percent of people have said they are overwhelmed by the amount of emails they receive.⁴

To combat this feeling, individuals are increasingly mass deleting 'non-essential' emails or simply opting-out altogether. Email service providers themselves are also taking action by using machine learning to determine which emails to deliver to our inbox based on previous engagement.

The impact for marketers

By action of your subscribers, intentional or not, and that of technology designed to make our lives easier, an increasing number of people who at one time expressed interest are no longer receiving your messages.

(3) Radicati, Email Statistics Report 2018-2022.
(4) Edison Software, 2017 State of Email Report.



74% of people are overwhelmed by the amount of email they receive.

Add Blindness and Blocking

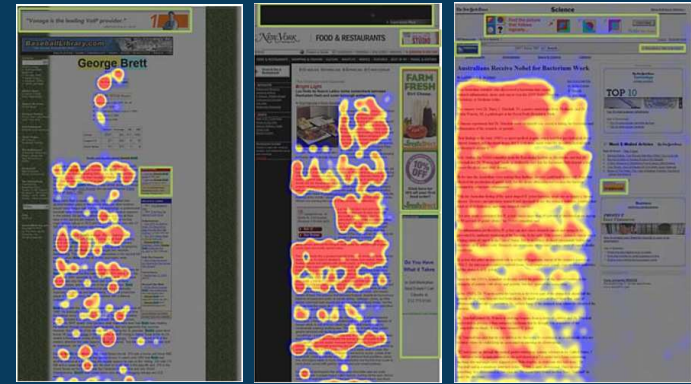
In conjunction with emails, display ads serve as a cornerstone tactic in today's retargeting programs. Like email, this channel is being challenged by its own share of struggles due to what is now referred to as ad blindness. Studies show that we've become so accustomed to where ads are placed that our eyes have learned to ignore:

- content that appears in these locations
- adjacent content, and
- content that merely resembles an ad as well – even if it is personalized.

What's more, the increasing usage of pop-ups, takeovers and auto play videos are driving consumers to take action to limit the digital ads they're served. In fact, according to eMarketer, due to a combination of these intrusive formats and privacy-invading practices, 25% of U.S. consumers employ digital ad blockers.⁵

In addition, it's now possible to mute ads across Google devices. By accessing Google's Ad Settings, web users can see which brands are targeting them with what Google calls "reminder ads" and block them from doing so.

(5) eMarketer, Consumer Attitudes on Marketing 2019.



A study by Nielsen, *Banner Blindness Revisited: Users Dodge Ads on Mobile and Desktop*, used eye-tracking to create heat maps that demonstrate how web viewer's eyes systematically avoid display ad placements regardless of how engaged we are with the core content on the page.

Growing Privacy Concerns

The other side of the coin

While consumers want to receive relevant advertisements and information, there are growing concerns about what personal information is collected and how that information is used.

Third-party cookies

To address these concerns, web browsers have been restricting the use of third-party tracking cookies in growing numbers. By 2022 they will be effectively eliminated as a data gathering tool.

Legislation

Increasingly, legislative action such as GDPR, and the California Consumer Privacy Act (CCPA) are being enacted to give consumers more control over their personal data and how it is used. These actions will continue to affect the way companies execute email and display ad marketing, with a direct impact on the effectiveness of retargeting strategies as they exist today.

3 out of 4
U.S. Internet Users
are concerned about how
tech companies are using
their data for commercial
purposes.

*Internet Innovation Alliance,
Consumer Data Privacy Concerns*

Although behaviors are changing and legislation is increasing, email remains one of the most effective modes of communication and it is unlikely that display ads will go away. However, understanding the challenges these changing behaviors have created, it is imperative to look for channels, such as direct mail, that can overcome these hurdles and complement your overall retargeting efforts.

1 in 10
U.S. Internet Users
are okay with their data
being used for relevant
ads.

*Internet Innovation Alliance,
Consumer Data Privacy Concerns*

How Direct Mail Overcomes These Challenges

Earlier in our introduction we highlighted **direct mail's open rate of 66 percent**, but did you know that **84 percent of direct mail is read for at least one minute?**⁶

Compare that to **email's average open rate of 20 to 24 percent** and **only 44 percent read longer than 18 seconds**. It's clear that although we live in a predominately online world, this offline channel is driving interest.⁷

To understand how direct mail stands to amplify today's retargeting efforts, it's first important to understand what drives its effectiveness.

(6) InfoTrends, Direct Mail: Integral to the Marketing Mix.
(7) Litmus.com, Email Attention Spans Increasing.



It's Tangible

Engage the sensory cortex

The most notable thing that sets direct mail apart from digital marketing channels is obvious - its physical presence. Unlike an email, a social media post or even a pop-up ad, you can feel and touch a piece of direct mail. You can hold it in your hands, turn it over, and even smell it.

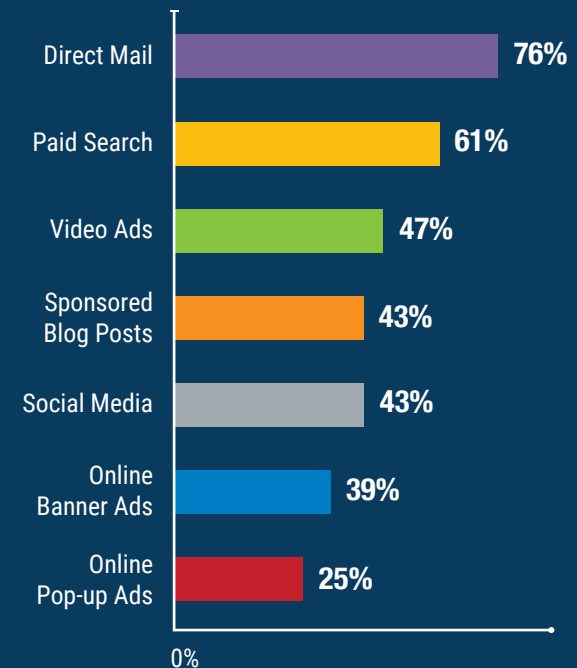
In fact, direct mail can engage all five of our senses, giving it a distinct advantage over digital channels that at most engage two senses, sight and sound. Because of this, **direct mail requires 21 percent less effort for our brains to process than digital messages while yielding 70 percent higher brand recall.**⁸

The benefits of direct mail don't end there. The fact that you can hold a real piece of mail legitimizes the content for many people, as indicated in a study by MarketingSherpa. When asked which type of advertising channel you trust most when making a purchasing decision, 76 percent of respondents selected direct mail, followed by paid search at 61 percent and all other digital channels cascading down from there.⁹

(8) Canada Post, A Bias for Action - The Neuroscience Behind the Response-Driving Power of Direct Mail.

(9) MarketingSherpa, Customer Satisfaction Research Study.

76% of people believe direct mail is the most trustworthy information channel when making a purchasing decision.



Extend your reach

Direct mail often earns multiple impressions from the intended recipient as it is looked at, set aside as a reminder, then interacted with again. But it also gains extended reach from other members in the household whose curiosity drives them to pick it up and read it.

15.5 minutes

Average time spent per person reading a catalog or booklet they receive.

47%

of the population
sets catalogs / booklets aside to read later.

20.3 Days

Average amount of time catalogs/booklets are kept on hand.

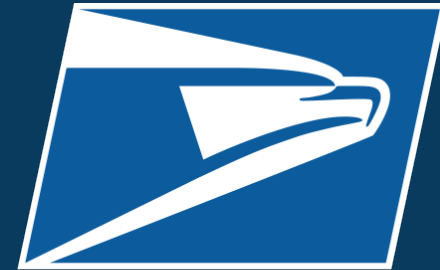
<https://uspsdelivers.com/10-reasons-why-catalogs-are-a-marketing-powerhouse/>

It Provides Access

It's becoming increasingly difficult for marketers to cut through the clutter and reach their targets via digital channels. Email fatigue is prompting lower engagement and rising opt-outs. Meanwhile display ad costs are surging while growing numbers of consumers employ technology to block these efforts. Direct mail is the only direct response channel that doesn't rely on an algorithm to get in front of your audience.

Email, on the other hand, experiences a delivery rate that hovers around 80 percent as evolving spam filters and deliverability algorithms block legitimate messages from reaching the inbox.¹⁰

(10) Return Path, 2017 Deliverability Benchmark Report.



**UNITED STATES
POSTAL SERVICE®**

The USPS delivers to 159 million households and businesses with a universal service obligation that ensures delivery to every household in the US within a defined time frame.

This obligation means a 95 to 99 percent delivery rate, as opposed to roughly 80 percent for email.

USPS.com

It Drives Engagement

We live in an interconnected world, and today's consumers expect brands to communicate with them across the various channels they use as they go about their day. The brands that do this effectively see the best results, and direct mail continues to be a channel that brands shouldn't overlook. In fact, **campaigns that use both digital media and direct mail receive 39 % more attention than their digital-only counterparts.**¹²



92% of direct mail recipients report being driven to digital activity.

87% were influenced to make an online purchase.

Royal Mail MarketResearch, Private Life of Mail

(12) Canada Post, Connecting For Action

It Delivers 1:1 Communications

Marketers are accustomed to the simplicity and breadth of personalization that digital marketing channels provide. More recently, marketers are becoming aware of the vast degree to which direct mail can be personalized with the same relative ease.

Through variable printing, personalization can occur across copy, offers, and even images. Brands can go beyond creating one message for larger segments to instead delivering messages with one-to-one relevancy by using any combination of:

- demographic
- geographic
- psychographic, and
- behavioristic data.



Travel Guard®

FREE World Travel Map Inside!

Vincent, where in the world are you going next?

COVERAGE STARTS AT \$30

3 EASY WAYS To Get a Travel Guard travel insurance plan:

1. Call us at **1.800.826.1300**
2. Go online at www.TravelGuard.com/world
3. Ask your travel advisor when you make your reservations.

AIG



AIG

Travel Guard Group, Inc.
3300 Business Park Drive
Stevens Point, WI 54482

PRESET STD
U.S. Postage
PAID
Travel Guard

Vincent —
Thank you for covering your recent trip through Travel Guard.
Enclosed is your complimentary World Travel Map to pinpoint your past and future destinations.

F7R3-0017793 D-R5M4SM-1909 G043
Vincent Smith
3204 Cherry Camp Road
Chicago, IL 60607
[Barcode]

Like us on Facebook
facebook.com/travelguard

Follow us on Twitter
twitter.com/travelguard

Google+ at the intersection
of travel & insurance

Travel Guard®

The Whole is Greater Than the Sum of the Parts

It's not often that 1+1>2, but that's what you get when you pair direct mail with digital marketing channels.

Adding direct mail to digital campaigns not only increases and diversifies the number of consumer touchpoints, it engages senses not activated through digital means, making the interaction more memorable.

Depending on which channel(s) are combined and which data methodology is employed, marketers can see impressive increases in responses such as:

- **+25-30%** with streaming media
- **+35%** with browser intent
- **+50-114%** with email

The Combination Effect

The impact of pairing direct mail with digital campaigns improves on single-media digital campaigns through:



More emotional intensity triggered



Higher brand recall



More time spent with campaign elements

"Connecting for Action Study," Canada Post, September 2016.

How Direct Mail Retargeting Works

Direct mail retargeting works essentially the same as email and display ad retargeting:

1. Analyze visitor activity to a website or mobile app
2. Segment visitors according to their behavior and your program objectives, and then
3. Deliver a targeted communication designed to entice them to come back.

The only difference – you’re using a direct mail piece instead of an email or a display ad.

High-speed digital printing has completely changed the game

For many marketers, the mention of direct mail conjures an arduous process – one that takes weeks, sometimes months to design, produce and deploy a single campaign. Now, by using digital design templates and variable printing, **marketers can create and mail in as little as 48 hours** from website activity – with each piece individually tailored to the unique recipient.

Tracking responses is easy. Response rates are measured by return visits to the website or app as well as through other marketer-determined ways such as unique offer codes, personalized URLs, or a specified toll-free number.



Common Retargeting Programs

Introduced more than ten years ago, today's retargeting has grown well beyond converting abandoned carts, developed to take advantage of various engagement activities (or non-activity). Here are some of the most common retargeting programs and how direct mail plays a role.

Convert abandoned carts

Abandoned cart programs are a common retargeting strategy. These aren't limited to retail brands, but any brand that operates a website where a good or service can be purchased, applied for, or quoted.

Because of variable printing, marketers can get the same level of customization they have come to expect in digital media, using personalized copy and featuring images of the items the individual expressed interest in to create a physical reminder of what they left behind.

Browse Intent Retargeting

Website browse retargeting programs aim to re-engage those who've visited your website but didn't make a purchase. Following the same strategy as abandoned carts, use images of the products or content that was browsed and perhaps coordinating items, as well.

What if the identity of a website visitor is unknown? Intelligent data applications, such as reverse IP look-up, can identify their physical mailing address.

Reactivate lost/lapsed email subscribers

It's ten times harder to create new interest than to nurture existing interest. As such, reactivating lost and lapsed contacts is nearly as important as recovering abandoned carts.

Direct mail provides another point of access. Using a lost subscriber's home address, deliver a physical communication that references previous purchases or website activity to grab their attention.

Don't have their home address? No problem. We can identify and append address data for the profiles where this information is lacking. Within these capabilities are many data appending flavors, all of which can be tailored to your program's needs.

Attract new customers with location-based signals

It's not as easy to attract new customers as it once was. Not only is there more noise than ever before, but consumer options have drastically increased, making it challenging for marketers to connect with prospective customers.

Location-based signals is one method that can help. Retarget mobile device owners who have recently visited your store location (or a competitor's location), or complimentary location, or whose household is in a defined proximity.

Using mobile-carrier data, identify the associated physical mailing address to then deliver a targeted communication, such as a delivery coupon to football game attendees.

Identifying Your Audience

Regardless of which program type – or types – you can't retarget an individual if you don't know who they are or how to reach them!

Working with data scientists, our prospecting methodology begins with an assessment of your existing client data and current marketing approaches. Are you contacting your lists with the right messaging? Too often, or not enough?

We identify your most valuable contacts through proprietary data analysis that looks at a number of online behaviors.

To achieve the maximum conversion power of direct mail, we focus on:

- identifying your most likely-to-convert targets
- your best promotional offer, and
- efficient and judicious test campaigns that employ variable content to find the most effective messaging

There are three methods commonly used to identify a direct mail retargeting recipient. Each method serves a different purpose depending on your retargeting objectives.

Physical address to email address data append

Do you have a house list of email addresses but no home address? Appending the physical address to an email address works exactly as it sounds. Your house email list is matched up against an aggregated opt-in list. Where matches occur, the full postal address is appended to your data files. Also available are data hygiene services that will cleanse and update the mailing addresses you already have on file.

Anonymous visitor identification

Interested in identifying who is coming to your site but not converting? Use cookie-based or pixel-based reverse IP appending technology to identify your anonymous website visitors and match with mailing address information to send a targeted direct mail follow-up.

Using the cookie-based method, a code snippet is placed on your website that reads cookie information in the browser and then links to the data partner's aggregate database to provide identification. For reverse IP identification, a cookie-free option, a pixel is placed on your website that tracks visitors and then matches the IP address to the residential address. The pixel can be placed on the entire website or select pages you're interested in tracking.

Both methods can be connected to your Google Analytics account to capture URL, timestamps, pages visited, etc. to build segments and derive likely purchase intent.

Location based signals

Looking to acquire new customers? Use mobile device owner identification to target consumers who have recently visited a store location (or a competitor's location), attended an event, or whose household is in a defined proximity.

With each method, the resulting matches are married to your hold-out list to eliminate those who don't fit your retargeting campaign profile so that you only mail to those who meet your objectives.

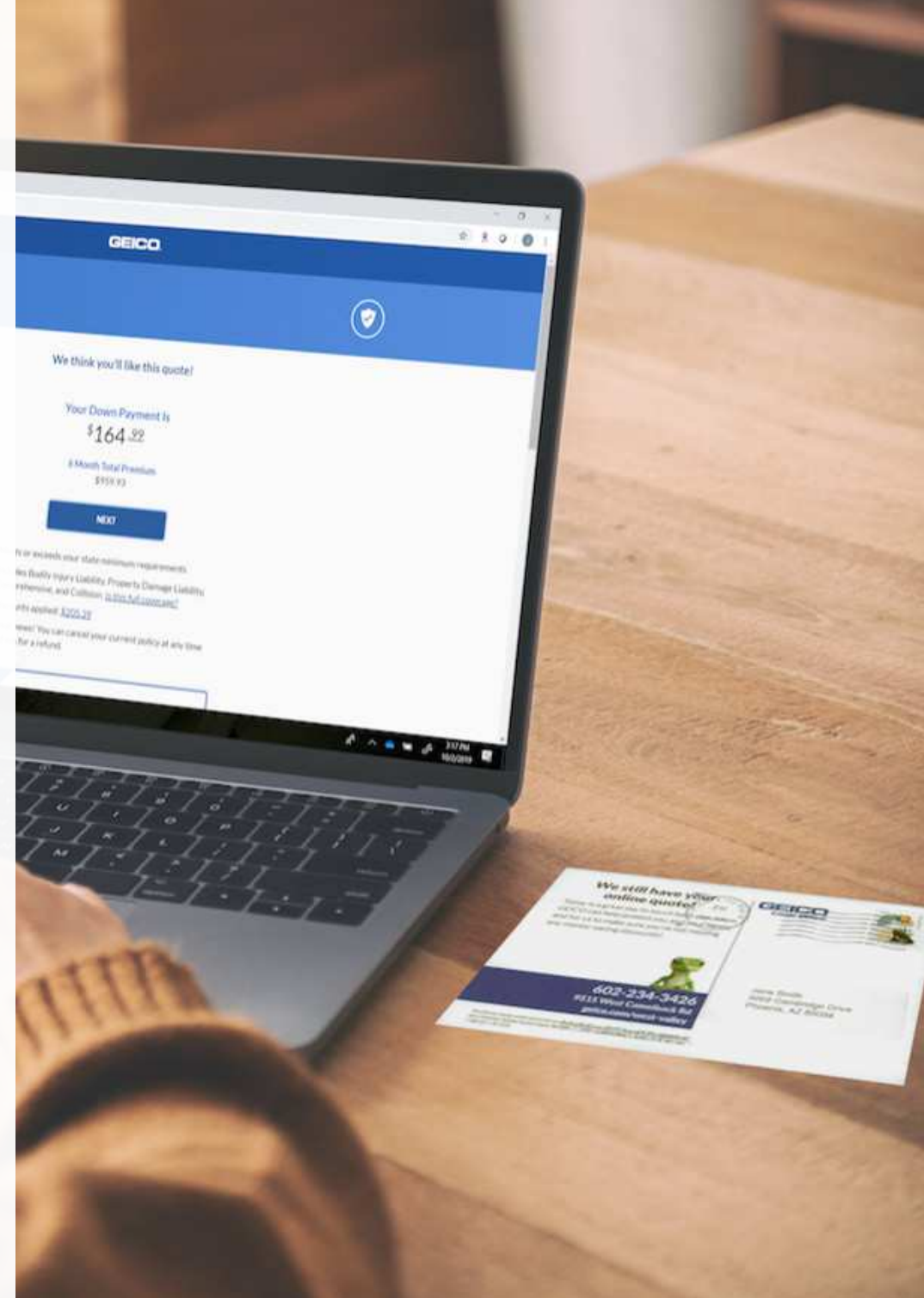
The last thing marketers need is to hunt for and parse through the myriad of data providers available today. As an end-to-end direct mail provider, SG360° has cultivated relationships with many of the top data aggregators to provide the above audience identification services in concert with the production of your direct mail retargeting programs.

Incorporating Direct Mail Into Your Retargeting Strategies

Contrary to popular belief, spinning up a direct mail campaign doesn't take an exorbitant amount of time or effort. In fact, many of the same technologies that make digital channels efficient are also used in the creation and deployment of direct mail.

Just as digital channels can be deployed using automated triggers, so too can direct mail. Using a simple API connection to your direct mail provider, setup trigger campaigns based on a variety of factors, such as:

- website activity (or inactivity)
- purchase history
- up-sell and ancillary purchase opportunities, and
- personal factors such as location, birthday, life stage, etc.



Design Your Campaign

Pre-built templates use automated business rules and variable data printing to create unlimited layouts within the same campaign.

In laymen's terms – you can now create dynamically rendered one-to-one pieces while on press, without the extensive creative setup.

Format

Your choice of format will again be driven by your retargeting objectives.

Postcards

In most cases, a 6" x 4.25" postcard sent first class yields the greatest return on investment.

The quickest to produce, postcards are ideal when time is of the essence when capitalizing on browse or cart activity.

3 Elements of an Effective Direct Mail Retargeting Piece



An attention-grabbing headline

Many of the phrases used as subject lines and headlines in your retargeting emails make great headlines on your direct mail retargeting piece.



Images representative of the products browsed or left behind

Images representative of the category of items the individual expressed interest in are what really drive retargeting conversions.



Include a strong call to action

The key to converting is a strong, concise call to action. Offer your best deal currently available. Use a unique promo code. These dynamically created codes can be setup for usage in-store, online or both.

Self Mailers

Self-mailers are direct mail pieces that do not need an envelope, using glue tabs/strips, wafer seals or pull strips to keep the piece securely closed during mailing. The term is used to describe formats that feature multiple panels created when single or multiple sheets of unbound paper are folded together.

Self-mailers are a great option when your product has a longer sales cycle or requires more information to make a purchasing decision.

Timing

Time is of the essence when it comes to recovering abandoned carts and the best opportunity to capture those lost sales is while the products are still fresh in the individual's mind. The most effective cadence is to continue using emails as your first touch point, and often your second in conjunction with display ads.

To maximize results, deliver direct mail as the second or third touch point in your cadence, perhaps replacing your lowest performing email. Above all, test distribution strategies to see what works best for your audience.

Sample Retargeting Cadence With Direct Mail

Touch 1: Email delivered within 60 minutes of website activity

Touch 2: Email delivered 24 hours after website activity

Touch 3: Direct mail piece delivered 3 days after website activity

Touch 4: Email delivered 5 days after website activity

Summary

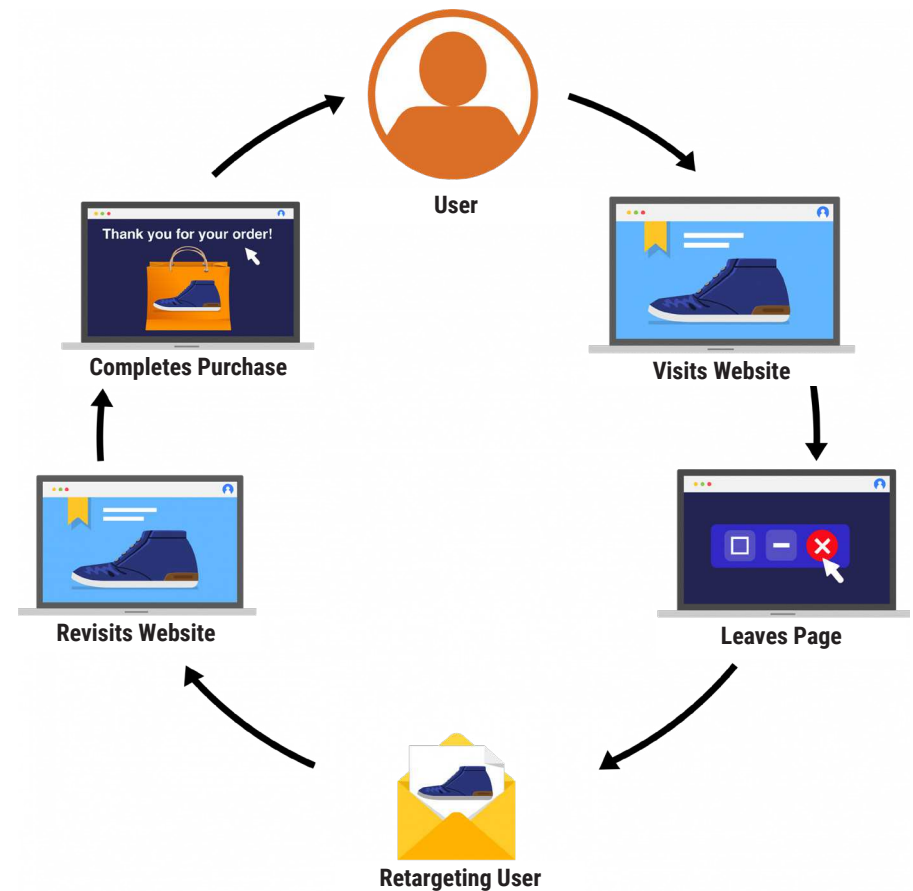
Retargeting enables you to reach already interested individuals with highly relevant communications. While email and display ads will remain essential to retargeting programs, the challenges facing these channels are limiting results.

Weaving direct mail into your retargeting strategies enables you to break through these challenges to deliver a real-world touch in response to online activity. The result – increased conversions.

As a leader in producing performance-based direct mail, SG360's goal is to make the creation and distribution of direct mail seamless and efficient. We meet you where you are on your marketing journey to create programs that not only grab attention but drive action.

Our retargeting data services match known and unknown website visitors to their physical address, while our high-speed digital print production platform creates one-to-one communications that are mailed within 48 hours of receiving data. This identification and quick-turn ability capitalizes on existing interest to ultimately recapture those lost sales.

To learn more about our direct mail retargeting solutions, visit https://content.sg360.com/direct_mail_retargeting.



Performance-Driven Direct Marketing Solutions



sg360.com