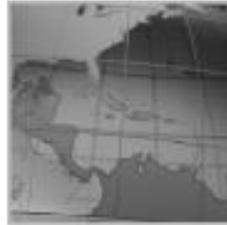


Analysis



January 2016

Direct Mail: Integral to the Marketing Mix in 2016

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Key Highlights

- Unlike e-mail, television, or radio ads, direct mail is a physical item that a consumer can hold in his/her hand and keep for a period of time.
- A third of U.S. consumers responding to InfoTrends' direct marketing study reported reading direct mail more than e-mail, while 34% said they opened and read e-mail and direct mail with equal frequency.
- Direct mail can be part of an interactive experience when used in conjunction with mobile devices and apps.
- Personalization has become a powerful direct mail tactic that is relatively easy to incorporate.

Introduction

For the past several years, businesses of all sizes have focused on engaging consumers with sophisticated digital marketing campaigns, but marketers are now rethinking their strategies and incorporating more direct mail in the mix. Direct mail is a very effective marketing tool because it can compel recipients to act, attract new customers, increase customer loyalty, boost brand awareness, reactivate dormant accounts, and deliver profitable results. One key reason for direct mail's popularity is that it is able to do things more effectively than other types of marketing. Many consumers read direct mail because they prefer content that they can experience with more than just their eyes. Unlike e-mail, television, or radio ads, direct mail is a physical item that a consumer can hold in his/her hand and keep for a period of time. While some forms of marketing are fleeting and forgotten, a postcard, brochure, or catalog can serve as a lasting reminder of a marketing message.

A Critical Channel for Reaching Consumers

InfoTrends recently completed a study entitled *Direct Marketing Production Printing & Value-Added Services: A Strategy for Growth*. This study surveyed more than 1,800 consumers in the U.S. and Western Europe. In-depth interviews were also conducted with over 50 direct marketers and 20 print service providers. The study highlighted why direct mail is so integral to the media mix and why it needs to be a focus for print service providers in the future. This section includes key findings from our 900 consumer respondents in the U.S. to explore why direct mail will remain a critical channel for reaching consumers.

Direct Mail Cuts through the Clutter

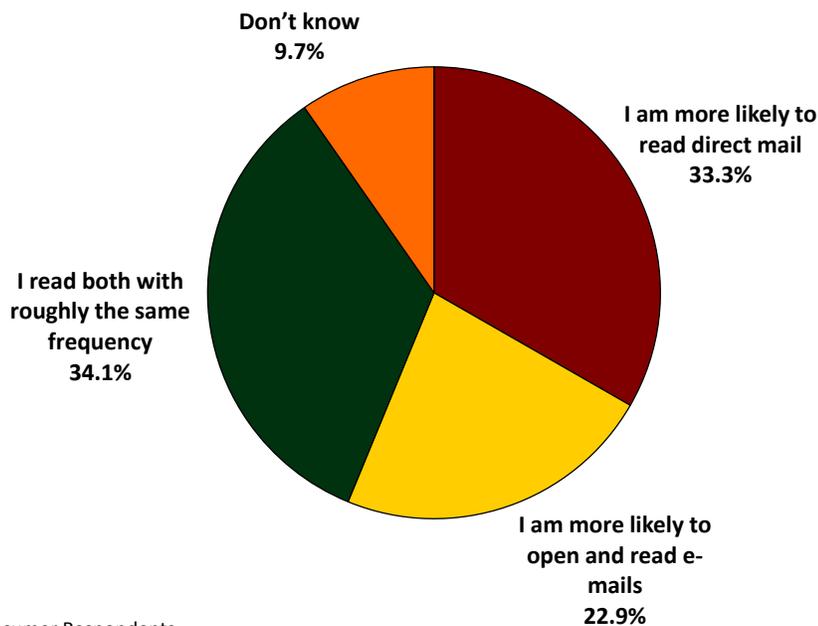
The ultimate objective of any marketing communication program is to get a customer or prospect to take action and preferably buy something. Direct mail works, and the statistics speak for themselves. According to InfoTrends' survey results:

- 66% of direct mail is opened.
- 82% of direct mail is read for a minute or more.
- 56% of consumers who responded to direct mail went online or visited the physical store.
- 62% of consumers who responded to direct mail in the past three months made a purchase.

Direct Mail is the Cornerstone of a Multi-Touch Campaign

A third of U.S. consumers responding to InfoTrends' direct marketing study reported reading direct mail more than e-mail, while 34% said they opened and read e-mail and direct mail with equal frequency.

Figure 1: Are you more likely to read an e-mail with a sales/promotional offer OR to look at a piece of direct mail?



N = 900 U.S. Consumer Respondents

Source: *Direct Marketing Production Printing & Value-Added Services: A Strategy for Growth*, InfoTrends 2015

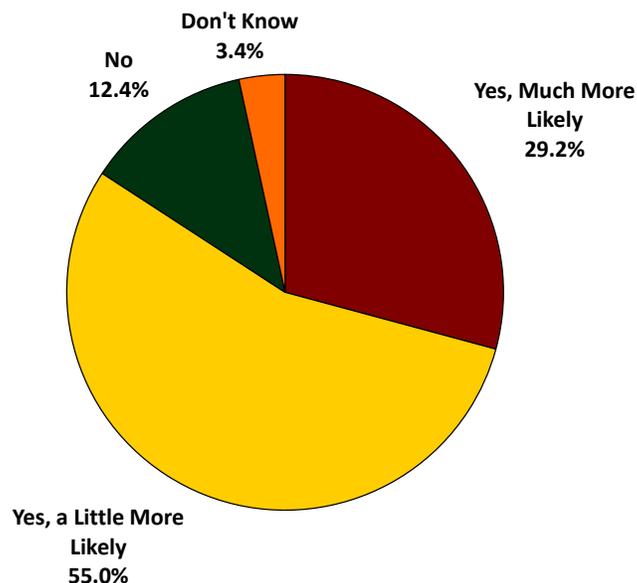
Since consumers engage with both print and e-mail, communicating with them using an integrated campaign will drive higher results. In addition, direct mail can be a part of an interactive customer experience when used in conjunction with mobile devices and associated mobile apps. There are a number of tools that can enable a printed piece to trigger an interaction from a smartphone, including image recognition, augmented

reality, NFC tags, and quick response codes. More and more direct marketers are integrating interactive elements with print to connect a consumer to a video or mobile-enabled website so they can learn more about a product or service, or creating mobile landing pages that enable consumers to take advantage of a coupon or discount. In addition, a direct marketer can point the consumer to a website or a personalized URL that can be accessed from a PC.

Personalization Makes a Difference

Firms of all sizes have the ability to interact with customers on a first-name basis. It has become much easier to collect, maintain, and store in-depth customer information. The technology is readily available to help marketers use this important data to communicate with customers on a personal level. Research shows that consumers are influenced by personalized communications. Of the U.S. consumers surveyed by InfoTrends, over 84% reported that personalization made them more likely to open a direct mail piece. Personalization has become a powerful direct mail tactic that is relatively easy to incorporate.

Figure 2: Does the customization or personalization of a direct mail piece make you more likely to open/read it?



N = 614 U.S. Consumer Respondents who receive customized/personalized direct mail
 Source: *Direct Marketing Production Printing & Value-Added Services: A Strategy for Growth*, InfoTrends 2015

Direct Mail Delivers Demonstrable ROI

Marketers want to be able to measure communication effectiveness so that they can improve campaigns, customer conversions, and overall return on marketing investment. Direct mail is measurable, so marketers can test offers and make the appropriate adjustments to improve results.

Recommendations for Print Service Providers

The case for leveraging direct mail in the media mix is clearly compelling. Direct mail is a tried and tested media; a staple marketing technique for companies of all shapes and sizes the world over. Given the renewed focus on direct mail as part of the media mix, service providers must ensure that they have the right technologies and skills to deliver results-oriented direct mail communications. Data and personalization are at the heart of effective direct mail communications, and marketers want to deliver relevant and personalized messaging. With all channels on, service providers must be channel-agnostic and build business models that can generate revenue from printed and digital content. As technology evolves and marketers continue to merge the print and online worlds, direct mail looks more fluid, promising, and exciting than ever.

For more information about InfoTrends' study entitled [Direct Marketing Production Printing & Value-Added Services: A Strategy for Growth](#), please contact Scott Phinney at scott.phinney@infotrends.com or 781-616-2115.

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