



THE 7 MOST EFFECTIVE DIRECT MAIL STRATEGIES | RETAIL

Direct Mail Formats for
Maximum Impact

WHEN PRINT'S PAIRED WITH DIGITAL, RETAIL HAPPENS

The path to purchase for today's consumer is a varied one (to say the least). Inspiration and incentive can rear its hopeful head on any medium, at any time.

Direct mail is the conduit retailers use to remain visible in a consumer's life — between channels.¹

Have you effectively integrated a direct mail strategy into your multi-channel efforts? If not, we make the case to leverage print in a way that delivers personalized content and bridges your digital gaps.

In the following, we paired seven proven formats with seven effective strategies to show you just how necessary direct mail continues to be in an retailer's multi-channel marketing campaign.

1. *TotalRetail*, "Remember Direct Mail? It's About to Become A Disruptive Marketing Tool"





STRATEGICALLY LEVERAGE DATA

It has become clear that your customers (and you) would benefit financially from implementing a rewards program. You think you know what it all entails, but how can you ensure that it is carried out and handled properly? **You need to strategically manage and leverage your data.**

How You Achieve It

The data you have collected needs to be massaged and standardized to reduce errors. Once your data can be trusted, you can build custom auto-generated analytic reports that can provide timely data needed to make informed decisions for improving direct mail promotions. Next it's time to decide on format. A variety of formats can be created to fit the event's style, cost and cadence (e.g., weekly, bi-weekly, monthly or yearly).

Use Case

We developed a comprehensive plan to design a system to support one retail client's need for national and regional rewards programs. A key component was creating a highly functioning automated data processing system that is operational 24/7 to detect incoming data.

We collaborated with the retailer to help shape, develop, test and implement their one-to-one loyalty trigger programs. Format Q1173 stood in as an engaging offline vehicle for this program's awareness.



Format Q1173

Results

By developing automated analytic reporting and leveraging all channels with personalized touch points, direct mail included, our client now has the reports necessary to validate results as they continue to grow.

2

CREATE A MULTICHANNEL PRESENCE

Your young business is rapidly growing. You've started out exclusively with email marketing, but know the increased benefits that would come from branching out into other channels. **You need to broaden your marketing efforts.**

How You Achieve It

Begin with segmenting your target audience. Once you have a grasp on who you want to reach, you'll be able to better understand how to reach them. With your segmented audience, you can create unique mail pieces that are designed with offers specific to each recipient. When you incorporate your mail pieces with your email campaigns, the recipient will experience a multichannel effect – both channels working in tandem to win new business.

Use Case

Our data analytics team assembled lists of prospects and customers for a retailer that was 100% online. We advised them to begin by testing a colorful 6-by-9-inch postcard with quantities under 100,000.

Format Q2162 was versioned to highlight fresh, discounted merchandise available at the retailer's online store and segmented toward the recipient's interest. The mail piece also invited the reader to go to the retailer's online site and browse additional "new favorites" most relevant to them.



Format Q2162

Results

By incorporating segmented direct mail into its marketing mix, the retailer improved ROI by 24%. Following this campaign's success, direct mail became an essential part of the retailer's multi-channel promotional strategy and quantities grew from 100,000 to 4 million mailpieces.

24%
increase in ROI

3

INCREASE MICRO-TARGETING

Over the years, you have gathered a large amount of data in regards to your loyalty card members. This is great information to have, but is useless if nothing is done with it. **You need to strategically segment your audience.**

How You Achieve It

Segment your data to create profiles for your customers. You'll not only be able to see purchase and browsing history, you can create personalized offers based on this knowledge. Through micro-targeting offers to every individual, you will be leveraging your data to thoroughly personalize content with text and imagery.

Use Case

A well-known pharmacy retailer was interested in using direct mail to help drive traffic to their stores. They already owned a robust collection of data obtained from their in-store loyalty program.

We created a hybrid self-mailer — Format Q3152 — combining 4-color litho print with ProteusJetSM 4-color variable for a campaign that would create a connected experience and inspire customer loyalty.



Format Q3152

Results

Through the highly targeted direct mail program, the retailer achieved a significant 14% increase in store traffic over a three year span of implementing direct mail into their marketing plan.

14%
increase of
in-store traffic

4

TEST WITH RELEVANT CONTENT

You're thinking about switching up your direct mail strategy, but require hard proof before committing to a new format. **You need to test with relevant content.**

How You Achieve It

Within each test format, create similarly targeted offers to send to recipients in order for results to be accurately analyzed. With 100% variable 4-color inkjet imaging, you will be able to accurately target meaningful coupons to recipients. Through accurate targeting and continual data gathering, you will be able to analyze the data to determine the most effective format.

Use Case

A national retail marketer wanted to determine if it was worth the added cost to produce and mail a more costly 8-page mailer with several removable PIRX® card coupons versus a simplified 6-page self-mailer with perfed coupons.

We worked with the customer to develop a test where both formats were mailed in equal amounts every month. Both formats were printed inline using our ProteusJet Multiweb press with 100% variable 4-color inkjet imaging. The customer gathered transactional data on both formats over the test period and analyzed the data to determine the more effective format.



Format Q3163

Results

The larger 8-page PIRX card coupon — Format Q3163 — was the winner. ROI improved by 14%, PIRX card coupons were redeemed at a higher rate than the perfed coupons and there was a lift in incremental store sales.

14%
ROI improvement

5

REVITALIZE YOUR DIRECT MAIL APPROACH

You've been sending the same, product-centric mailer for quite some time and have been producing stagnant results in gaining loyalty program sign-ups. **You need to update your direct mail strategy.**

How You Achieve It

Switch to a more image-intensive format and implement coupons or PIRX® cards that can be targeted to specific customers and tracked when redeemed. Your customers who receive the mailing will now be able to feel, touch and carry their cards with them to the store. The new format is tangible and will allow customers to remove the cards, save them and redeem them online or in-store at their convenience.

Use Case

For several years, a specialty retail store produced roughly 40 separate mailings annually. Mail pieces typically consisted of a 12-page booklet of product showcases. An RRD strategist suggested switching to a more image-intensive format and cutting the booklet from 12 to 10 pages. In addition to a smaller page count, three PIRX cards would be added. The net effect was a less expensive mailer – Format Q3184 – that was more user-friendly when it came to redeeming offers.



Format Q3184

Results

Per mailing, the client saved approximately \$150,000 – 40 times per year – in costs thanks to fewer plates and press stops. They also expanded their loyalty program by improving signups and redemptions.

\$150K
saved per mailing

6

CREATE A TANGIBLE TOUCHPOINT

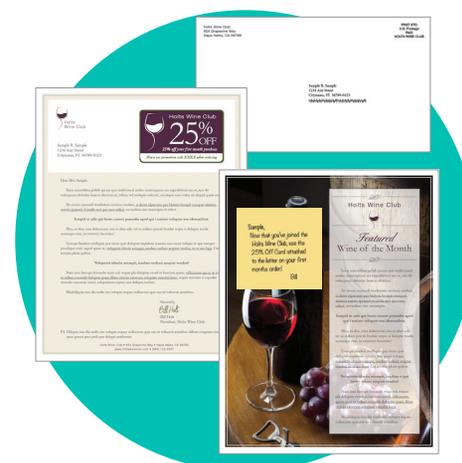
You're new to the direct mail game, but know it can help grow your business and improve your member acquisitions. **You need to break into the medium.**

How You Achieve It

Start by partnering with a trusted advisor in the field of direct mail. Through their direction, you will learn to test new formats, gain invaluable data and learn to translate that data into a strategic plan to gain customers and grow ROI.

Use Case

A subscription service new to direct mail was sending a simple postcard and self-mailer format to acquire new customers. After testing into a colorful outer envelope piece, an RRD strategist suggested testing a plain white outer envelope with and without a window showing a thick 4-ply card with a personalized offer code. The closed-face white kit was the winner and contained all of the same internal components as the colorful envelope kit.



Format Q3172

Results

Each new control that was developed and tested delivered incremental results for this subscription services business. By testing into new, more effective iterations (e.g., Format Q3172, which is a 6" x 10" enveloped kit with a PIRX card), the improved response more than made up for the format's cost. The current control, with the addition of a personalized note stick, saw a substantial double-digit lift in response.

7

PERSONALIZE OFFERS

Your current direct mail campaign is taking a one-size-fits-all approach. However, personalization is a growing topic and you understand that it is the vehicle for delivering the type of relevant offers your customers expect. **You need to personalize your offers.**

How You Achieve It

Evolve from the one-size-fits-all to a full variable versioning method. This involves many rounds of testing to continually improve format design, content/offers and customer scoring/ranking – all to find the best combination to increase monthly net customer gains. Based on the results found through testing these aspects, versioning can be applied to create the most relevant offer for each individual customer.

Use Case

We advised a retail client to start versioning their mailings. Each version would include four to 10 static thematic versions per campaign. Mailings have become fully variable with 4-color dynamic content throughout. With this new format – Format Q1183 – every customer now gets a unique combination of store-wide and item level offers.



Format Q1183

Results

One year after the update, this retailer saw incremental sales improve by 28% and ROI jump 17%.

28%
incremental sales
improvement

17%
jump in ROI

FACT: DIRECT MAIL IMPROVES YOUR RETAIL PRESENCE

In a recent Street Fight survey, U.S. local marketers found direct mail to be the second most effective local marketing and ad tactic — just two percentage points behind the top vote getter “email marketing.”¹

Direct mail continues to prove its worth due to the deluge of digital communications consumers receive day in and day out. In fact, some studies show that deluge can reach up to 10,000 different brand messages on a given day.²

Having a tangible print component in your marketing mix makes so much sense in the current retail space. Why? Because a physical direct mail piece offers consumers a different experience; one that stimulates brand recall, adds a level of trust and can't be replicated with pixels.

The formats and strategies we've shared here are proof of that.

1. Street Fight, "Survey: Multi-Location Brands' Most Effective Local Marketing Tactics"

2. American Marketing Association, "Why Your Customers' Attention is the Scarcest Resource in 2017"



DRIVE RESPONSE, LOYALTY WITH RRD MARKETING SOLUTIONS

Relevance equals response. That's the cardinal rule of direct marketing — and for more than 150 years, RRD has been perfecting it. Backed by advanced technology and analytics expertise, we specialize in mining data to unlock indicators for response and drive custom content in tune with attributes, behaviors and preferences.

Our patented inkjet imaging technology combined with several commercially available high resolution inkjet imaging systems are the engines that execute vibrant 4-color variable, highly targeted campaigns.

We pair our dynamic, in-house print capabilities with sophisticated Digital Asset Management (DAM) technology, which allows efficient cataloging and access to an unlimited amount of variable content (e.g., names, logos, offers, photos, copy, etc.) for use across marketing channels.

Optimize Engagement
Visit MS.RRD.com

© 2019 R.R. Donnelley & Sons Company, all rights reserved. RR DONNELLEY, RRD and RRD (Stylized) are trademarks or registered trademarks of R. R. Donnelley & Sons Company.

More About Direct Mail at RRD Marketing Solutions

RRD Marketing Solution hosts the largest and most diverse direct marketing production platform in America. You can leverage our resources with confidence:

- Strategic direction in design of campaigns including targeting and creative
- Creative design and copy for acquisition and retention
- Production of hyper-relevant and personal direct mail in small to large quantities with spectacular format arrays
- Postal logistics that improve delivery, timing and reduce costs
- Analytical tools and expertise to test and track winning features

RRD Marketing Solutions builds interactions that drive response. If you are ready to empower your direct mail strategy with a personalized approach, contact us today at **800.722.9001** or msdelivers@rrd.com.