A whitepaper by **WARC**

Driving effectiveness with direct mail

Making a physical impact in a digital world

marketreach
unleash the magic of mail

Royal Mail

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AN ASCENTIAL COMPANY

About this report

This report, developed in association with Royal Mail Marketreach, is an analysis of successful UK case studies that use direct mail, both as lead media and in the media mix. It takes a fresh look at what direct mail can offer in today's world, in the context of changing consumer behaviours post-COVID and technology innovations, and explores the best strategies for measuring the effectiveness of direct mail campaigns. The report features a range of examples where direct mail has been used to drive ROI and sustained growth.

The basis for the report is an analysis of case studies from the WARC case study database – all of which have been awarded at, or entered into, shows awarding marketing effectiveness, and are thus regarded as 'successful'.
This analysis is combined with a review of WARC's global data, industry knowledge and examples.

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Foreword from WARC

The digital disruption of the past decade has pushed direct mail into the back seat: a passenger to the attraction of emerging platforms. But the time has come for a reappraisal of direct mail amid increasing demands on consumer attention and the acceleration of underlying trends in business and society driven by the pandemic.

These factors have created new potential for the channel, and this is being reflected in budgets heading towards mail. According to the Advertising Association/WARC Expenditure Report, 2021 will see spend on the channel grow.

The benefits of mail – the ability to target, personalise and measure – haven't gone away. As this report argues, it remains an important part of many brands' performance marketing, helping to drive acquisition and playing a role in retention strategies.

But there is now greater potential than ever to reach an attractive audience through mail. Lockdowns as a result of the COVID-19 pandemic have severely disrupted working patterns. Now we're looking at a post-COVID economy where hybrid working arrangements, particularly for high-net-worth consumers, are likely to be more common.

That means more consumers at home, more of the time. The days when busy office workers would come home to a hastily reviewed pile of mail may be replaced by an age of home workers with a bit more time to check what has been delivered.

The second big change is the rise of e-commerce over the past few years, and in particular the rise of digital-first direct-to-consumer businesses for whom home delivery - and the physical experience that brings - is a key part of their offer.

The attention gained through this physical touchpoint, on the doorstep, is already being capitalised on by D2C brands through experimentation with packaging. For marketers looking for ways to create a great experience, this report shows that direct mail can have the same impact, from the moment of delivery, and lasting through multiple interactions with the mailed items.

There are lessons here for brands whose interaction with consumers is increasingly online. There has been a rapid shift of advertising spend into online channels since March 2020. Mail offers one way to balance this with a physical brand experience.

There is growing interest in attention. The issue marketers have faced is the current mess of metrics used across channels, and the difficulties comparing an opportunity in one channel with one in another. The growing focus on attention as

a measurement tool may allow marketers to see through this fog more clearly. The evidence in this report, and research from the likes of Royal Mail Marketreach and JICMAIL, provide a positive indication of the attention advantage mail can have over other channels.

This report, conducted with Royal Mail Marketreach, begins a process of reappraisal for mail, as its claim for increased investment grows.

Amy Rodgers
Managing Editor,
Research & Rankings, WARC

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A note from Royal Mail Marketreach

Dan Jury
Senior Media Planner,
Marketreach

We're delighted to be partnering with WARC on this breakthrough, case study-led reappraisal of the direct mail channel. It has revealed some fascinating (and surprising) insights into why mail remains an effective option for brands and their agency partners.

From building brands, cutting through the clutter and eliciting a direct response, to nurturing powerful connections with customers, and amplifying digital channels in the mix – it's clear mail delivers effective business outcomes in a variety of ways, across a variety of categories to engage all audiences.

With many consumers locked down at home during the COVID-19 crisis, and home working likely to remain for the foreseeable, mail effectiveness has never been more potent – as proven by the record-breaking engagement metrics reported by JICMAIL since the pandemic began. Direct mail,

the original in-home engagement channel remains relevant in our daily lives; it's continuously evolving and outperforming expectations – at a time when there's never been greater competition for attention.

For fully paid-up members of the "Direct Mail is Dead" club, this report is likely to make for uncomfortable reading I'm afraid. The medium is alive and well. It has undergone significant digital transformation of its own, remains the third largest media channel in the UK, integrates powerfully with other channels to support full-funnel strategies, is a proven driver of business growth and ROI and is highly trusted – particularly with Gen Z.

As the report reveals, mail continues to be highly measurable and is increasingly so, with the growing number of digital integration opportunities available - that provide a broader range of campaign analytics to evaluate success. If you're not a current user, it might just be worth

a test, particularly if you're looking for new personalised and targeted ways to engage audiences as cookies start to crumble.

As we rightly focus on diversity and inclusion in our industry, I'd welcome that ambition to be extended to media planning. A great philosopher (well, marketer I guess) once said, "a great idea can come from anywhere, including through the letterbox". WARC's research indicates they may have been on to something – with pretty compelling evidence.

We hope you enjoy reading this report as much as we did, or at the very least – it spikes a little curiosity or inspiration. You never know, it could lead to a marketing innovation that achieves both award-winning creativity and bottom line success.

We sincerely hope so, and our door is always open if you need a helping hand along the way.

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Key takeaways

4.

The impact of the pandemic is combining with a technological revolution and unprecedented changes in consumer media consumption habits to reinvent the role of direct mail in marketing strategies. Through an analysis of WARC case studies and further research, this report sets out why mail should be reconsidered – both as a lead media and in the marketing mix.

1.

Mail can act as a real differentiator in marketing campaigns, driving clear growth for brands that invest

After years of rapid digital acceleration, marketers are looking for ways to cut through the noise of messaging across channels and platforms, using creative combinations of media to reach customers at the right moment. A background channel in the peak of this digital revolution, direct mail is being reappraised by marketers, with its physical presence in consumers' homes, combined with digital integration, driving share of voice and return on investment for brands across categories.

2.

Direct mail can be highly personalised and targeted, capturing attention for longer than digital channels

The physical nature of direct mail means it captures both sensory and mental attention, with an average engagement rate of 95%. Its presence in the home means it is interacted with more than four times, building a 'brand room' in the brains of customers, particularly when integrated into a wider campaign using the same distinctive assets. Attention and interaction are driven further the more mail is personalised, particularly resonating with Gen Z, who have grown up with digital messaging and for whom mail presents something unique.

3.

Direct mail delivers on both brand and performance goals

Brand building and sales were the top two objectives for successful direct mail campaigns in our case study analysis. Inclusion of mail in a campaign drives higher acquisition rates, particularly when highly targeted, making it suited to delivering on performance objectives. But the medium also plays a powerful role in retention; 70% of consumers feel valued when receiving mail. As brands look at strategies to retain customers acquired during the COVID-19 pandemic, mail can be an effective tool in driving up their customer lifetime value.

4.

Mail remains one of the most measurable channels

With a solid understanding of a campaign's objectives and the right mechanics for tracking in place, the impact of mail on the customer journey can be clearly measured, avoiding the pitfalls of last-click attribution. As the proverbial cookie crumbles, mail is presenting marketers with new ways to track performance, particularly with innovations in technology driving engagement and participation. Check out the framework for preparing for mail in Chapter 6.

What this means for

Advertisers:

- Innovation is key in driving attention through mail. The most effective campaigns utilise mail in a surprising way, driving engagement and action through creativity in messaging, technology and digital integrations.

- Mail enables brands to capitalise on the increased time consumers are still spending at home since the COVID-19 pandemic began and to benefit from the increased interaction and longevity of mail items that has brought. Now is an ideal time to experiment with mail, adding it to the media mix or increasing its integration with digital channels.

- Utilise your insightful first-party data to personalise and target your direct mail campaigns beyond just address, complementing existing CRM strategies to see success from mail across the entire sales funnel.

Agencies:

- Agencies can help their clients introduce direct mail to their media plans, suggesting creative strategies to integrate mail as a new channel, or develop the existing use of mail to bring an element of 'surprise and delight' into consumers' own homes.

- Agencies can play an important role in ensuring brands utilise their data expertise to effectively measure mail, especially where mail is being integrated with digital to ensure continued customer tracking in a post-cookie world.

- Integrate existing creative into mail campaigns, using distinctive assets to aid brand recall and brand building objectives, while incorporating engaging mechanics into a brand's direct mail that engage consumers and drive action.

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Methodology

WARC's database of successful case studies is made up of campaigns that have been entered into, or won at, competitions that award effectiveness. These case studies are then indexed by the WARC team to reflect the campaign components, metrics and results. One such tag is the media used in the campaign, split into the 'lead' media, and other supporting media.

This research analyses case studies from the UK that were tagged as using direct mail as the lead media or in the media mix, published by WARC between 2016 and 2020. 135 and 83 case studies fit these criteria respectively.

The data from these case studies is analysed in this research, alongside a review of WARC's global data, industry knowledge, examples and expert contributions.

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Chapter 1

Reconsidering direct mail

Consumers today are exposed to hundreds of marketing messages every day, and cutting through this noise to ensure share of voice is the new challenge for marketers. Rising to this challenge requires innovation in both creativity and in the media strategy which acts as the vehicle to land messages in the right place at the right time.

Direct mail, as a well-established, traditional channel, brings with it old perceptions that do not immediately appear to meet this innovation brief. But this assumption is causing brands to miss an opportunity to deliver success from the medium. This research builds the case for direct mail to be included in this media strategy evolution, with its unique role in customer journeys driving clear ROI for those who invest.

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1.1.

Direct mail brings trusted interaction into the home

Direct mail (DM) is unique because it not only puts a marketer's message into consumers' homes, but recipients can also interact with it multiple times.

Arriving directly into consumers' homes, the medium drives trust and adds authenticity to communications, with 70% of consumers feeling valued by mail senders, and more than nine in ten (95%) opening, reading and/or filing it. Research from JICMAIL and The IPA has shown that mail drives action by consumers, either in the form of an immediate online activity, or facilitating later action by putting it to one side as a reminder about an organisation and its products and services, meaning it is offering marketers both brand and performance advantages.

70%
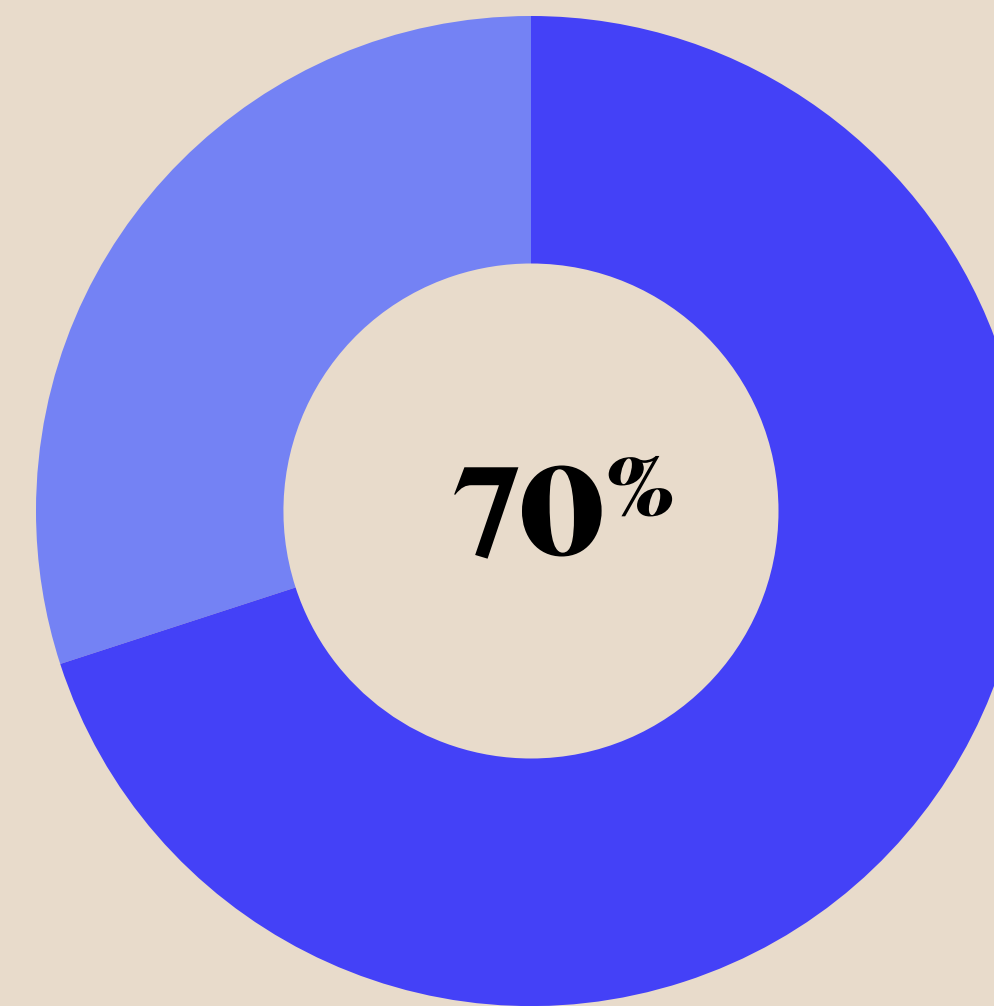
70% of people have been driven towards an online activity by direct mail – *JICMAIL*

35%
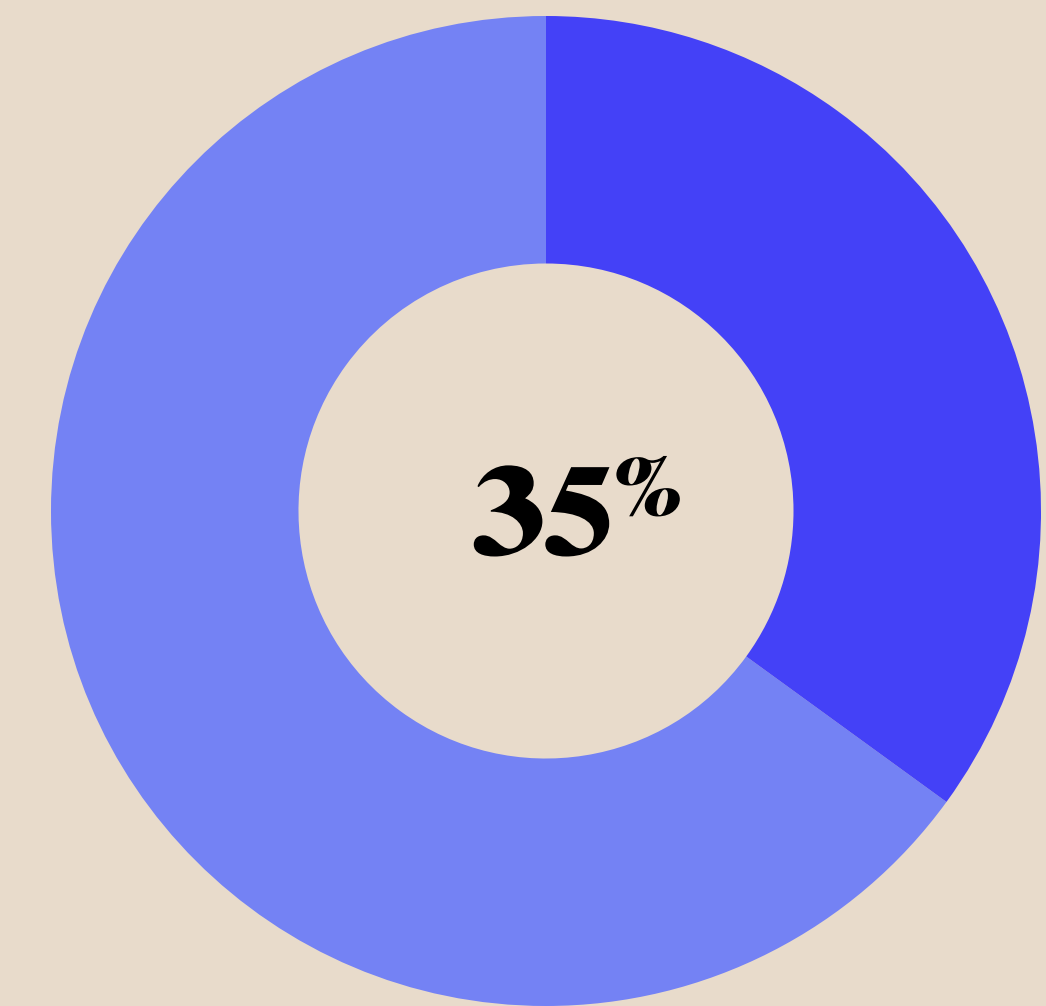
35% of consumers have made a purchase, or made a payment or donation, in the past year as a result of receiving a piece of DM – *IPA Touchpoints*

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1.2.

The changing role of direct mail in the media mix

The research in this report will show that when used as a lead channel in a campaign, direct mail results in an uplift in revenue and ROI versus the average successful campaign, and twice the proportion of campaigns using DM note a rise in loyalty compared to the national average.
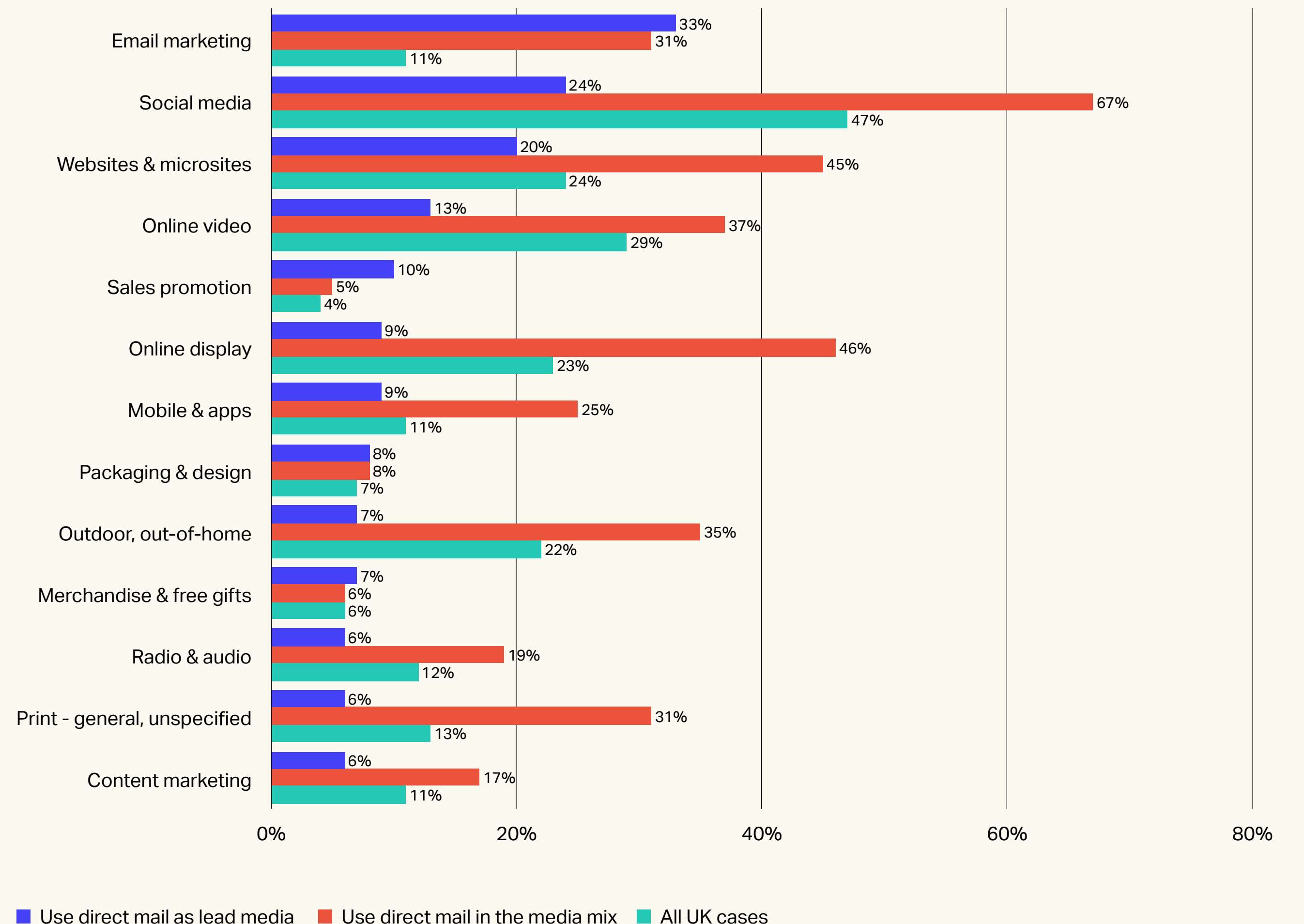
When used in the mix, the uplifts become even more pronounced, with DM proven to drive recipients to take action, such as visiting a website, calling a number or filling in a form.

The extensive WARC case study library shows that of cases that lead with direct mail, a third complement this with email marketing, and a quarter use social media alongside DM as lead. Where direct mail is used in the mix, campaigns are more likely to drive hard metrics like market penetration, than the average successful WARC case study (see Figure 3).

Figure 1:

Media used in the mix

UK cases that lead with direct mail, 2016 - 2020, % of cases

Media	Use direct mail as lead media	Use direct mail in the media mix	All UK cases
Email marketing	33%	31%	11%
Social media	24%	67%	47%
Websites & microsites	20%	45%	24%
Online video	13%	37%	29%
Sales promotion	10%	5%	4%
Online display	9%	46%	23%
Mobile & apps	9%	25%	11%
Packaging & design	8%	8%	7%
Outdoor, out-of-home	7%	35%	22%
Merchandise & free gifts	7%	6%	6%
Radio & audio	6%	19%	12%
Print - general, unspecified	6%	31%	13%
Content marketing	6%	17%	11%

■ Use direct mail as lead media   ■ Use direct mail in the media mix   ■ All UK cases

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Increasingly, leading users of DM are acknowledging not only the channel's continued ability to drive new sales, but also its role in amplifying other channels to boost reach and drive awareness. Increasingly, DM is being used as a route to achieve additional marketing goals, such as:

- deepening loyalty by turning singular sales into long-term, recurring sales such as subscriptions
- encouraging customers to refer friends
- building brand awareness and engagement
- widening marketing databases
- leaving a physical reminder in the home that a customer can refer to when they are in the market for products or services
- building brand engagement by driving up footfall in-store or encouraging website or app visits

Technological advances are enhancing DM's effectiveness in the mix. Brands are becoming more adept at helping to bridge the gap between mail and digital with personalised URLs, QR codes, AR and voice-activation techniques to encourage consumers to interact with the brand.

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More time at home is good news for DM

The channel has the potential to deliver further returns because it stands to benefit from flexible working patterns that are likely to see more people logging in from home than before the pandemic. While it is impossible to predict accurately the impact of a rise in home working, IPA TouchPoints 2020 indicates that during the pandemic, people spent more than 22 hours in the home per day, up 25% on normal.

Research from YouGov suggests the switch to home or hybrid working is here to last, with more than half of UK workers wanting to work from home some of the time (37%) or all of the time (20%). It is a trend workers predict will last because nearly three quarters (72%) expect their employer to allow them the flexibility to decide where they work from.

This has led to the already high figure for daily attention devoted to mail rising 29% during the weekend, to just under 32 and a half minutes, and 4% during the week, to nearly 14 and a half minutes. During this period, trust in mail that is addressed to the recipient has increased while trust in digital advertising channels, including search, display and social media has decreased.

Consumers are looking at mail for longer

	Pre-lockdown 2020	Lockdown 2020	
WEEKDAY	13:48	14:24	+4%
WEEKEND	25:12	32:24	+29%
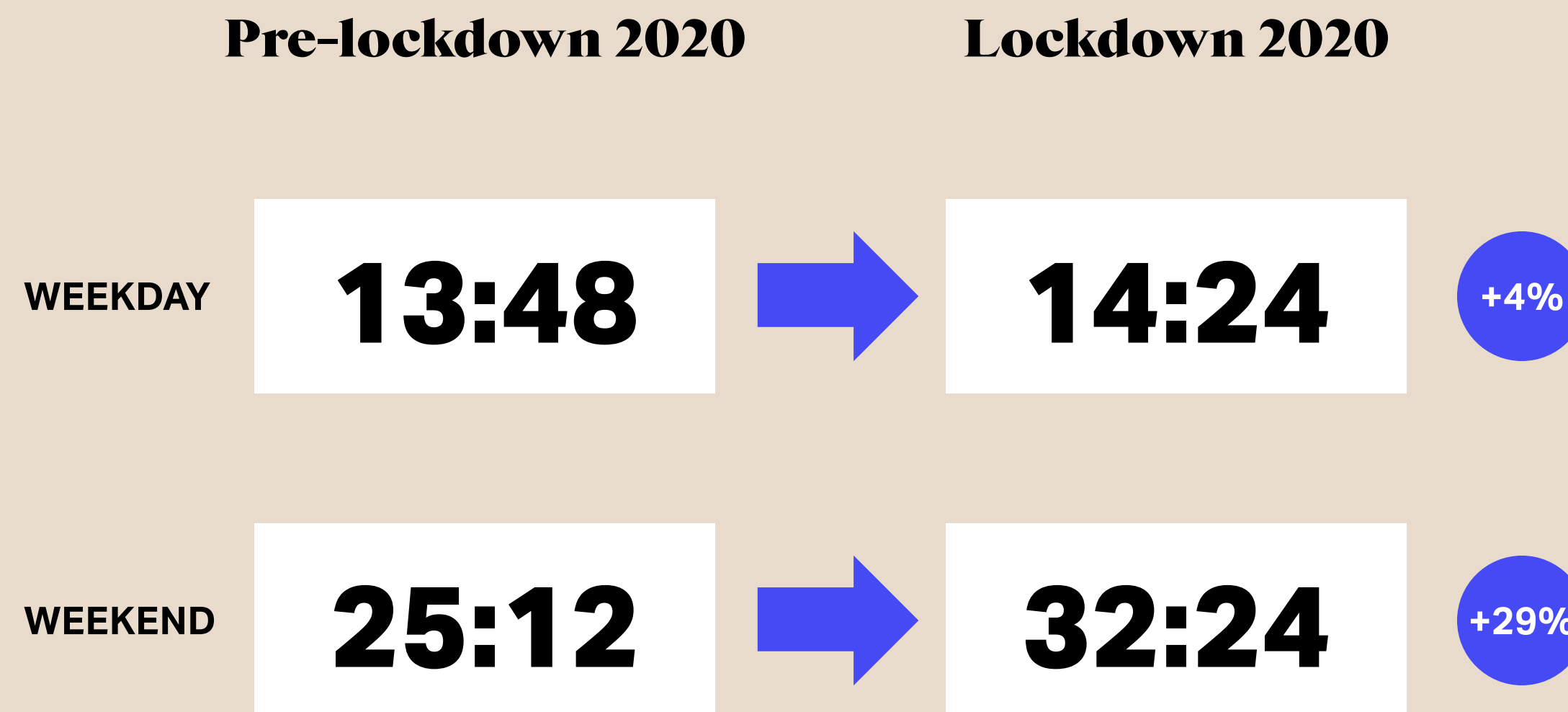
Source: IPA TouchPoints 2020. Calculated using average time spent looking at mail/post per day for all adults across a typical one week period – pre-lockdown vs lockdown

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1.3.

Mail sees renewed budget consideration

After nearly seven years of declining direct mail budgets, the medium is seeing renewed consideration within marketing budgets. The forecasted uptick in spend may be modest, but it shows that after nearly a decade of funds switching to digital marketing - particularly social - marketers are reappraising the role of direct mail.

The AA/WARC/Royal Mail figures reveal that almost 4% of budgets will be put into the channel in 2021. It is the UK's third largest channel in terms of adspend. For those who invest, the lower volume of mail messaging in comparison to online and TV can lead to a greater share of voice.

"For those who invest, the lower volume of mail messaging in comparison to online and TV can lead to a greater share of voice."

Figure 2:

United Kingdom, Direct mail advertising expenditure

% share of all media spend, 2021 (f)
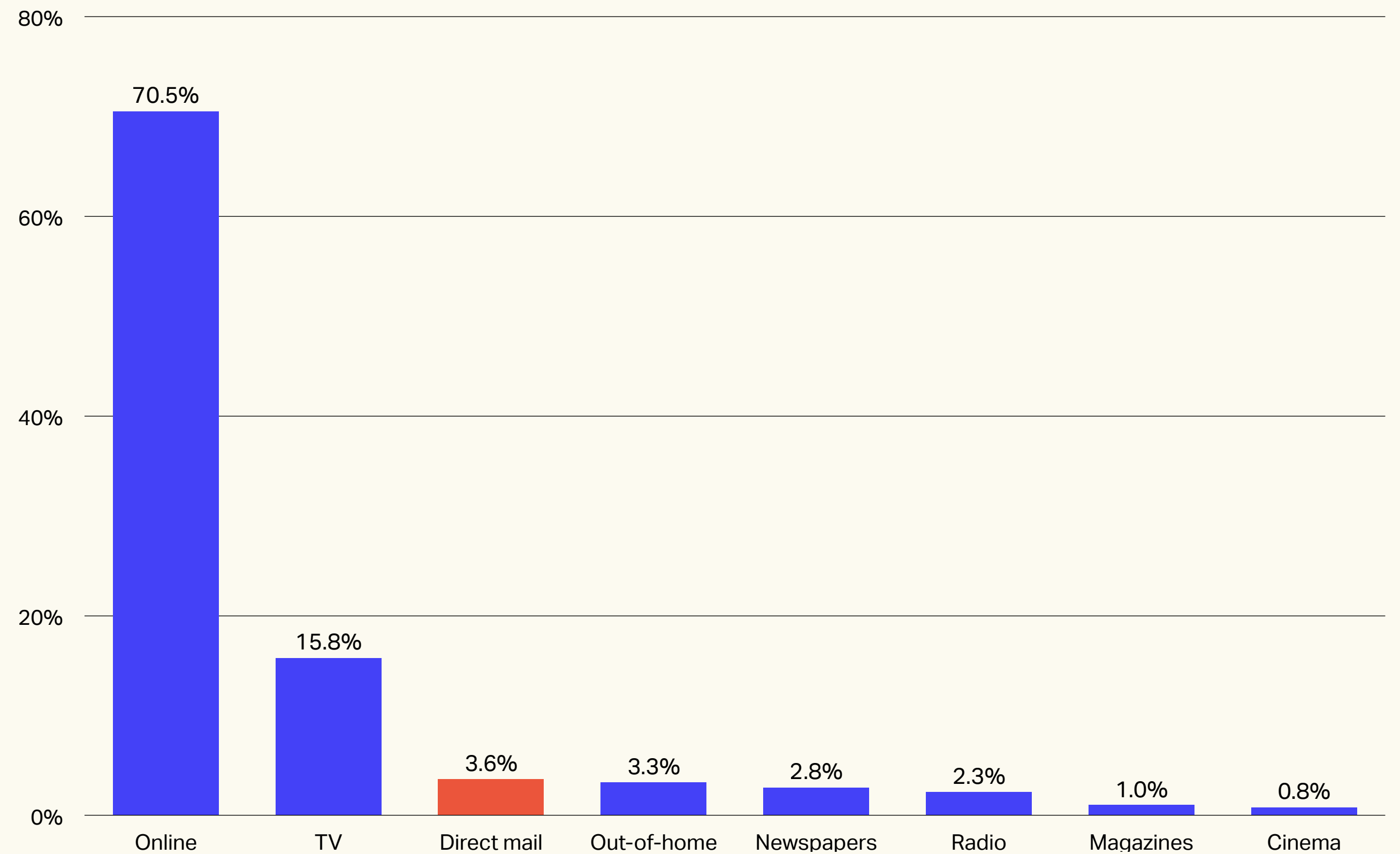
Note: Data are net of discounts, include agency commission and exclude production costs. Direct mail includes production costs.
SOURCE: Advertising Association/WARC Expenditure Report, Royal Mail

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Sky wins share of voice through direct mail

Sky is the top telco advertiser in the UK in terms of adspend. It responded to the COVID-19 pandemic by increasing its direct mail spend to reach almost 40% share of the doormat, according to Nielsen Ad Intel figures.

This increase in DM investment comes as a result of significant returns from the medium's use in marketing campaigns, including those from Sky's Winback team. In 2020, the team used the insight that lapsed subscribers were now missing out on great Sky shows, which drove an idea: a subverted, personalised, 'missed-parcel' card that allowed clear and simple communication of key messages.

On the front was the message: 'Delivery attempt from Sky'. The copy on the back explained - 'Sorry we've been unable to deliver you unmissable Sky shows'.

The pack drove traffic to the call centre rather than online, making conversions more likely.

Results:
Sky saw a **33% increase** in ex-customers returning to Sky giving the campaign a **6:1 return on investment**. At 2p per piece (20p with postage included) it was Sky Winback's least expensive mailing.

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Case study: IKEA

Handcrafted

Using direct mail to boost valuable customer contact data

CREDITS

Brand: IKEA
Year: 2017
Category: Retail
Agency: LIDA

The Swedish home furniture store was an early convert in seeing the power of direct mail beyond boosting sales. It knew it could also deliver on marketing ambitions to drive better engagement among its most valuable customers.

The brand realised that its customers with high lifetime values, worth an extra £35 each, were signed up to both email and mail communications.

The trouble was, more than a million of its five million strong loyalty club were only signed up to direct mail, not email. The key was to use direct mail, in a campaign devised by LIDA, to encourage loyalty club members to sign up to email.

The distinctive cross stitch creative offered recipients a £5 discount if they signed up to email communications.

VIEW THE FULL CASE STUDY

Results

- **13%** of recipients signed up, giving IKEA a substantial boost in loyal, high value customers they could reach via two integrated channels.

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Case study: Honest Brew

The Howler Woofer Challenge

Fun interaction and vouchers
win new customers

CREDITS

Brand: Honest Brew
Year: 2017
Category: Alcoholic drinks
Agency: OLIVER

Part of the reimagining of direct mail is conjuring up new ideas to allow recipients to have fun interaction with a campaign.

Direct-to-consumer beer brand, Honest Brew, uses traditional postal tubes, with a funky design, to deliver cans to its subscriber list. It relies on word of mouth to grow its subscriber base and so wanted to help customers tell friends about the brand.

It sent customers three pins and a challenge to turn one of its postal tubes, called a howler, into a smartphone speaker – a 'woofer', with a £10 introductory voucher to get friends signed up. The idea was to get subscribers trying to solve the puzzle with friends to start a fun conversation and drive brand awareness.

VIEW THE FULL CASE STUDY

Results

- **23%** redemption rate
- **17%** increase in new customer sign-ups for the three-month period following the launch of the challenge

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Chapter takeaways

- **The role of direct mail is evolving.** The current consumer environment presents an opportunity for marketers to reappraise the medium – to look beyond its proven track record in boosting sales to discover how it can also deliver improved brand awareness, consideration and engagement.

- **Mail is interactive and has lasting impact.** Unlike other advertising mediums, mail fits in the recipient's hand and is trusted by consumers who interact with their post for more than half an hour at the weekend or nearly a quarter of an hour during the week. Two in three consumers also keep mail from businesses as a reminder to take action.

- **Investment in direct mail is no longer in decline.** Marketers are increasingly using mail to improve brand awareness and favourability as well as drive other actions, such as website visits, and sign-ups to email lists and loyalty schemes.

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Chapter 2

Impact of mail on the bottom line

Direct mail has always been credited with directly delivering a significant impact on the bottom line, with its ability to put a targeted, personalised, physical marketing message into a consumer's home. Now, marketers are realising it can achieve much more by enhancing and amplifying other channels used in the mix to drive brand awareness, consideration and engagement.

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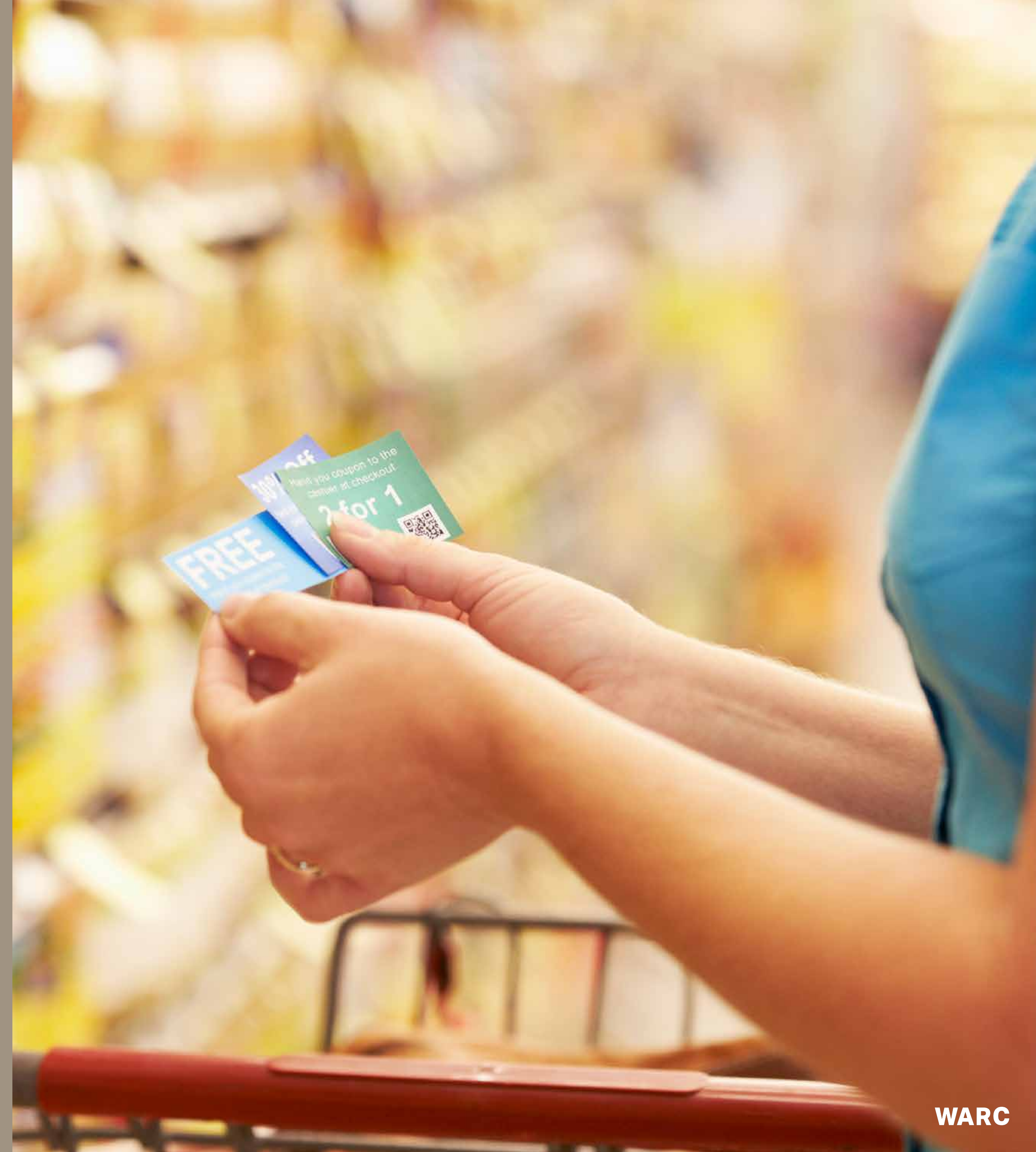
2.1.

ROI gains when DM takes the lead

This research illustrates DM's ability to push up revenue and drive ROI. Figure 3 shows that when DM is used as the lead, it brings significant gains over the rest of the field, with 27% of campaigns recording ROI benefits, compared to 23% for the rest of the pack. The gap is further increased when efficiency is measured and then, perhaps most importantly for long-term marketing gains, customer loyalty gains are more than twice as likely to be enjoyed, compared to an average of 5% across all UK case studies.

JICMAIL research underlines how ROI can be driven by direct mail both directly and by influencing other channels:

- **6%** of addressed mail leads to a purchase
- **6%** of addressed mail yields a voucher redemption
- **8%** of addressed mail prompts a web visit or search
- **14%** of addressed mail prompts a household conversation

Figure 3:

Hard metrics measured

UK cases that lead with direct mail, 2016 - 2020, % of cases

■ Use direct mail as lead media   ■ All UK cases

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Figure 4:

Campaign objectives

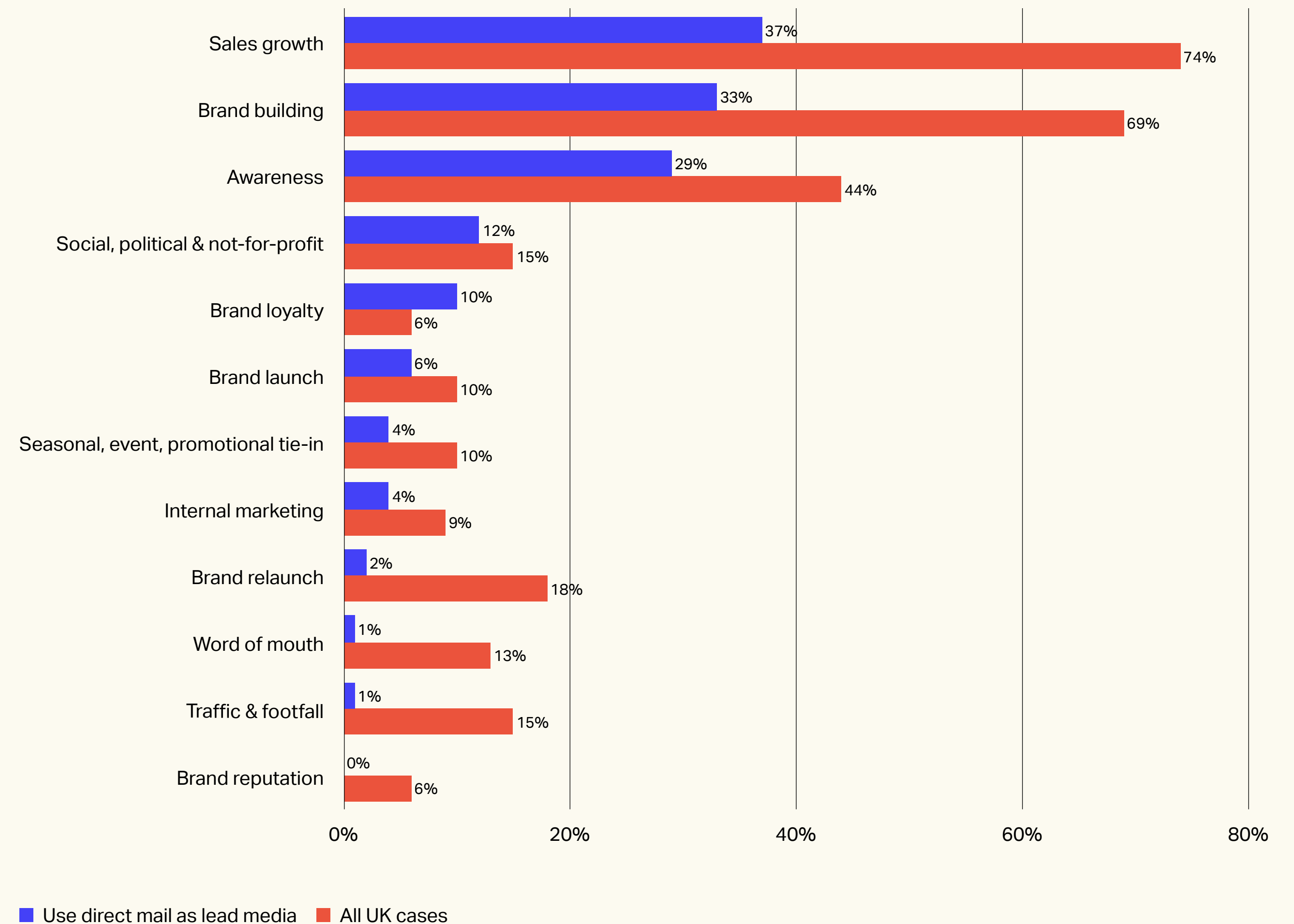UK cases that lead with direct mail, 2016 - 2020, % of cases
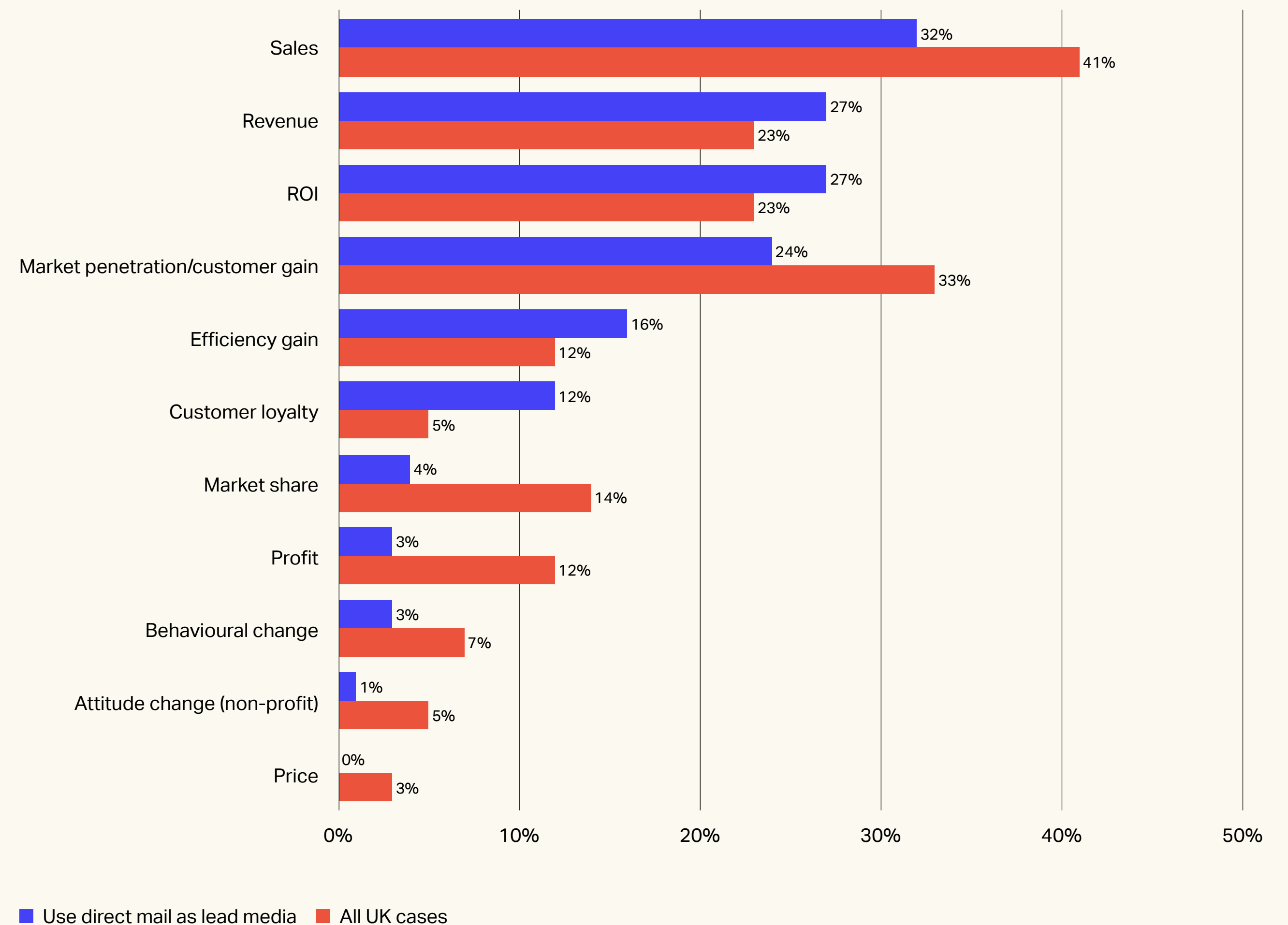
This impact of DM on the bottom line is also evident in the campaign objectives of our case study set. Sales growth and brand building are the most common objectives of cases that lead with DM, aimed for in more than a third of campaigns – indicating the role of the channel in both performance and brand building. Also notable is the over-indexing of brand loyalty: an objective in 10% of campaigns leading with DM versus 6% on average, emphasising the role of the medium in customer retention.

Campaign objective	Use direct mail as lead media	All UK cases
Sales growth	37%	74%
Brand building	33%	69%
Awareness	29%	44%
Social, political & not-for-profit	12%	15%
Brand loyalty	10%	6%
Brand launch	6%	10%
Seasonal, event, promotional tie-in	4%	10%
Internal marketing	4%	9%
Brand relaunch	2%	18%
Word of mouth	1%	13%
Traffic & footfall	1%	15%
Brand reputation	0%	6%

■ Use direct mail as lead media   ■ All UK cases

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2.2.

DM as an amplifier in the mix to deliver stronger results

Direct mail is being rediscovered as a medium that not only delivers direct performance but also amplifies the messages and calls to action run through other channels, particularly digital.

ROI
Our analysis found that a third of campaigns using DM within a mix of channels see a rise in revenue, compared to 23% for the average UK marketing campaign. ROI is similarly increased for 35% of campaigns, compared to 23% for the average.

Market share

Additional findings that will resonate well at board level are that using DM in a campaign's mix of channels increases market share for nearly a quarter of campaigns, 23%, and leads to improved profitability for more than a fifth.
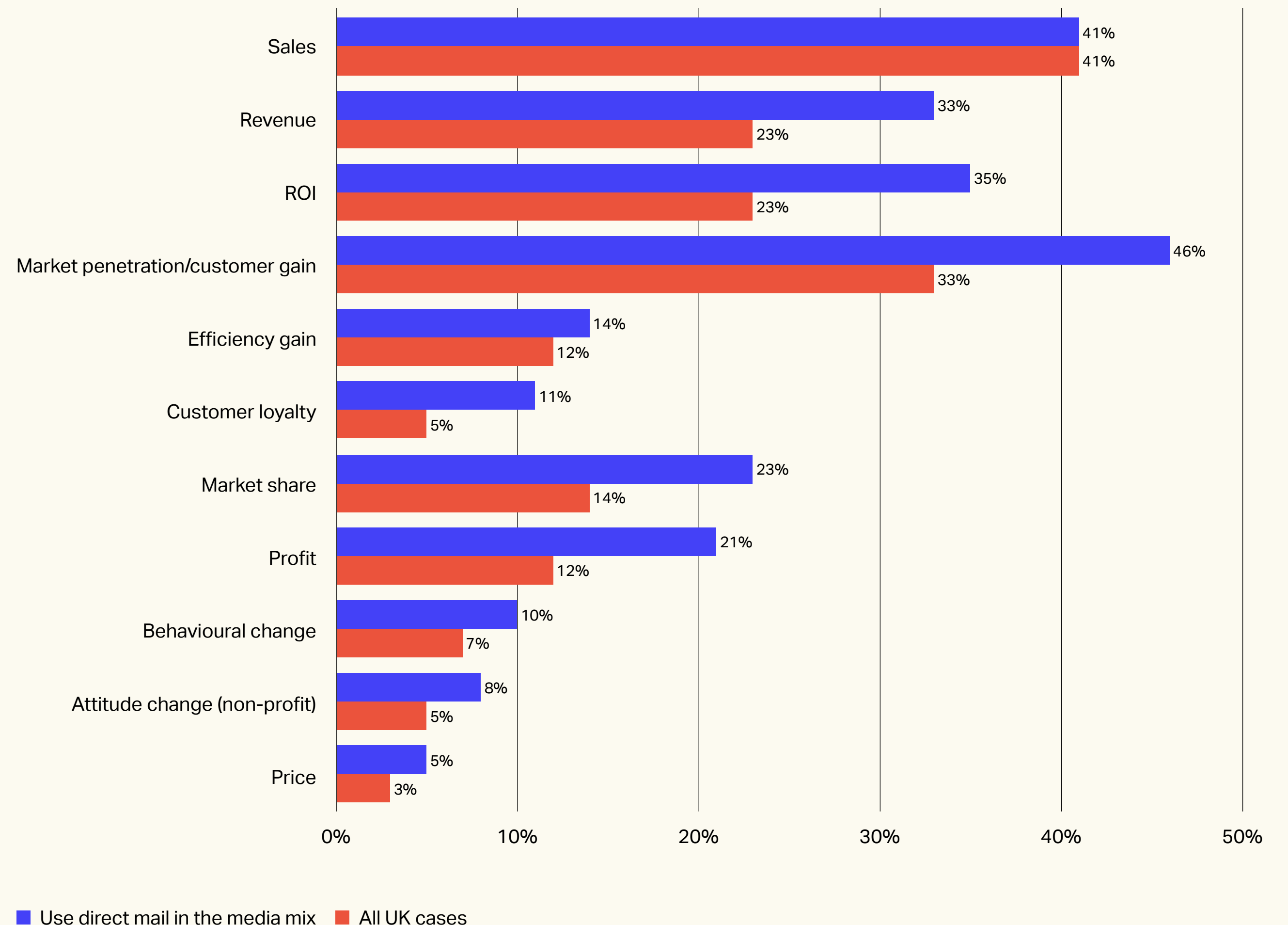
Customer loyalty
Again, positive customer loyalty outcomes are twice as likely to be seen when DM is used in the mix.

Figure 5:

Hard metrics measured

UK cases that use direct mail in the mix, 2016 - 2020, % of cases

Use direct mail in the media mix ■ All UK cases ■

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Case study: Jaguar Land Rover

Jaguar Land Rover revs up for test drive growth

Using technology to track mail's impact in real time

CREDITS

Brand: Jaguar Land Rover
Year: 2019
Category: Automotive
Agencies: Edit and Spark 44

The premium car brand used machine learning to build a database of previous and existing customers who would most likely be interested in buying its Evoque model. The trouble was, although they were typically young and confident with digital channels, they were also successful time poor professionals who were less likely to subscribe to marketing emails.

Deciding on the use of direct mail to unlock interest, the brand knew it had to be a piece of creative which would instantly grab the recipient's attention. The solution was to produce 5,000 highly personalised mailpacks featuring 'seductive' photography of the car's luxury design and finish. When opened, the mail pack invited recipients to press a replica Evoque 'Stop/Start' button.

The radio transmission technology connected the ignition button to Land Rover's CRM system that, in turn, delivered the test drive request to the recipient's local Land Rover. This triggered an SMS and email to the recipient confirming the booking and that the retailer would be in touch. All this happened in real-time, in a GDPR-compliant manner that required no sign-up, pre-interaction, Bluetooth, tethering or Wi-Fi connection.

Results

- **44%** of recipients pressed the button
- **5%** went on to buy an Evoque
- With a budget of **£150,000**, the campaign achieved an ROI of **24:1**

VIEW THE FULL CASE STUDY

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Jaguar Land Rover revs up for test drive growth

Behind the winning idea: An interview with Ben Briggs, Media Director at Edit

Ben Briggs
Media Director, Edit

Why did you decide to use direct mail for this campaign, and what benefits do you think it brought over purely digital channels?

By analysing the data, we knew we had an existing audience to whom we could market the new Evoque, but we needed a way to connect with them.

The audience desired are young, affluent and tech-savvy. They value design and premium brands. However, they are time poor and know the value of their data. They are unlikely to opt-in to email communications and are already saturated by digital marketing. Direct mail provides cut-through with them, but creating a seamless route to act was historically challenging.

We needed something radical and technologically advanced enough to engage them, get them talking and ultimately, encourage them to test drive the new Evoque. Print had the capability to cut through the noise of other channels such as social media ads, which our audience were bombarded with. It added a layer of exclusivity for them to receive a tangible, premium piece of mail which gave intrigue and aligned to the premium nature of the brand.

The Evoque button idea is innovative in its use of technology blended with DM - where did the creative idea come from, and how important was the physical nature of the button to the success of the campaign?

The creative idea came from wanting to reinvent the test drive booking process, making it as simple as pushing a button. To echo the luxury of an Evoque through a personalised, pioneering, highly targeted direct mail experience that culminated in an engine stop-start button press that automated a test drive booking and CRM experience. The simplicity of a button push twinned with the human inquisitiveness to engage with something physical made direct mail the perfect channel for this reinvention.

How was the campaign's effectiveness measured?

Due to the technology embedded into this pack, we could get some hard metrics. We measured button presses at an individual level as a response rate (44% - target was 20%) and were then able to track those leads through to conversion (10%) and then calculate the ROI following campaign maturity.

We were able to measure the effectiveness of the pack by utilising JICMAIL data to analyse the impact beyond core delivery metrics. JICMAIL data has shown that just 4,500 mail

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packs punched well above their weight in delivering campaign reach and frequency and that the campaign not only drove response but contributed to above-the-line marketing KPIs as well. A predicted 21,430 opportunities to plant the Evoque brand in front of young tech-savvy consumers were generated, with 53% of these impressions coming from mail items which had prompted some sort of positive commercial action for the brand.

As technology evolves, how do you predict DM might be used in the future?

We are undoubtedly seeing a resurgence of physical engagement to compliment digital experiences. Whether that's QR codes being used for ordering in restaurants, or interesting use of augmented reality, for example, Pokémon cards and Pokémon Go. We have had several enquiries about the use of this technology, and what is clear is that the print industry is going from strength to strength and is no doubt going to form part of omnichannel

campaigns for a long time to come.

How far has 2020's pandemic had an impact on media selection among your clients? Have you been looking at the media mix in a new way to gain attention and can DM play into this?

2020 had a huge impact on the direct mail market. With more people at home for longer, they were more receptive to receiving mail than ever before and their attention towards it greatly increased.

In addition, it was an important time to send out different kinds of messages, understanding that people's behaviours – where they spent their time during lockdown and after, changed significantly. Town centres changed; banner advertising, which was hugely prominent, was no longer effective, and reaching people in the home became increasingly more effective. We were also beginning to see an impact from the beginning of the end of third-party data use, and a drop off in digital comms engagement due to people being bombarded by this type of messaging.

It is likely this effectiveness of direct mail will continue. Although some habits will return to the previous normal, it's clear that working habits are going to remain changed.

DM isn't a new thing for Edit, as a business, we've always understood the importance of the channel and the role it

plays in customer communications, but we started to get significant attention from sectors who experimented with print for the first time during the pandemic. They found it to be an effective marketing tool and wish to continue with this method even if their audience has started to return to offices.

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Case study: Direct Line

We Solve Problems

Mail focuses minds on service,
not price, at Direct Line

CREDITS

Brand: Direct Line
Year: 2016
Category: Financial services
Agencies: MediaCom and MRM

Direct Line was revolutionary when it launched but by 2016 it was suffering from competition from price comparison websites which sold on cost rather than service.

To focus existing customers on the need for an insurer that has their back when things go wrong - the side people do not see until they make a claim - the insurance company launched its Mr Fixer campaign. The television adverts starred Harvey Keitel reprising his role of Winston Wolf, the 'fixer' character from Pulp Fiction.

The brand sent out mailpacks to people half-way through their insurance term to prepare for their next car or home renewal. They featured comic strips featuring 'Messengers' who work for Mr Fixer, telling the story of an enhanced service that, among other scenarios, would guarantee a hire car or supply a plumber within three hours. Each asked "Can your insurance do that?"

VIEW THE FULL CASE STUDY

Results

- **5%** sales increase
- **10%** uplift in quotes
- Established mail as the company's most cost-effective channel, with a **CPA of £83**

WARC

Chapter takeaways

- **Direct mail is inciting purchase journeys.** 6% of mail leads to a direct sale, and 8% prompts recipients to visit an advertiser's website or search online for more information about their products or services.

- **These interactions are improving ROI.** 27% of case studies using DM as lead media noted gains in ROI and revenue, compared to 23% for those that did not. There is also a leap in customer loyalty from campaigns that lead with DM.

- **Direct mail's presence adds firepower to integrated campaigns.** The results can be even more significant when marketers tune into DM's ability to both work with other channels and provide a different layer in the media mix. A third of case studies where DM was used in the mix recorded an increase in revenue compared to an average of 23%. Plus, 35% are reporting ROI gains, compared to an average of 23%.

WARC

Chapter 3

Physical marketing wins the race for attention

It is intuitive that direct mail grabs the recipient's attention and raises awareness because no other medium is such an integral part of a consumer's day - it is physical and tangible. No other form of advertising receives the same level of sensory attention as a letter or mailpack that is picked up, opened, held in the hand and read before being filed by the fruit bowl or pinned to the noticeboard in the kitchen.

WARC

3.1.

Attention builds brand awareness

There is an inherent advantage in direct mail always landing on the doormat compared to the potential diluting impact of consumers holding multiple email addresses, both personal and business, with inboxes that may not be monitored.

Digital channels can reach consumers at different times of the day and due to digital overload, advertisers can't be sure that their message will cut through, regardless of the extent of targeting.
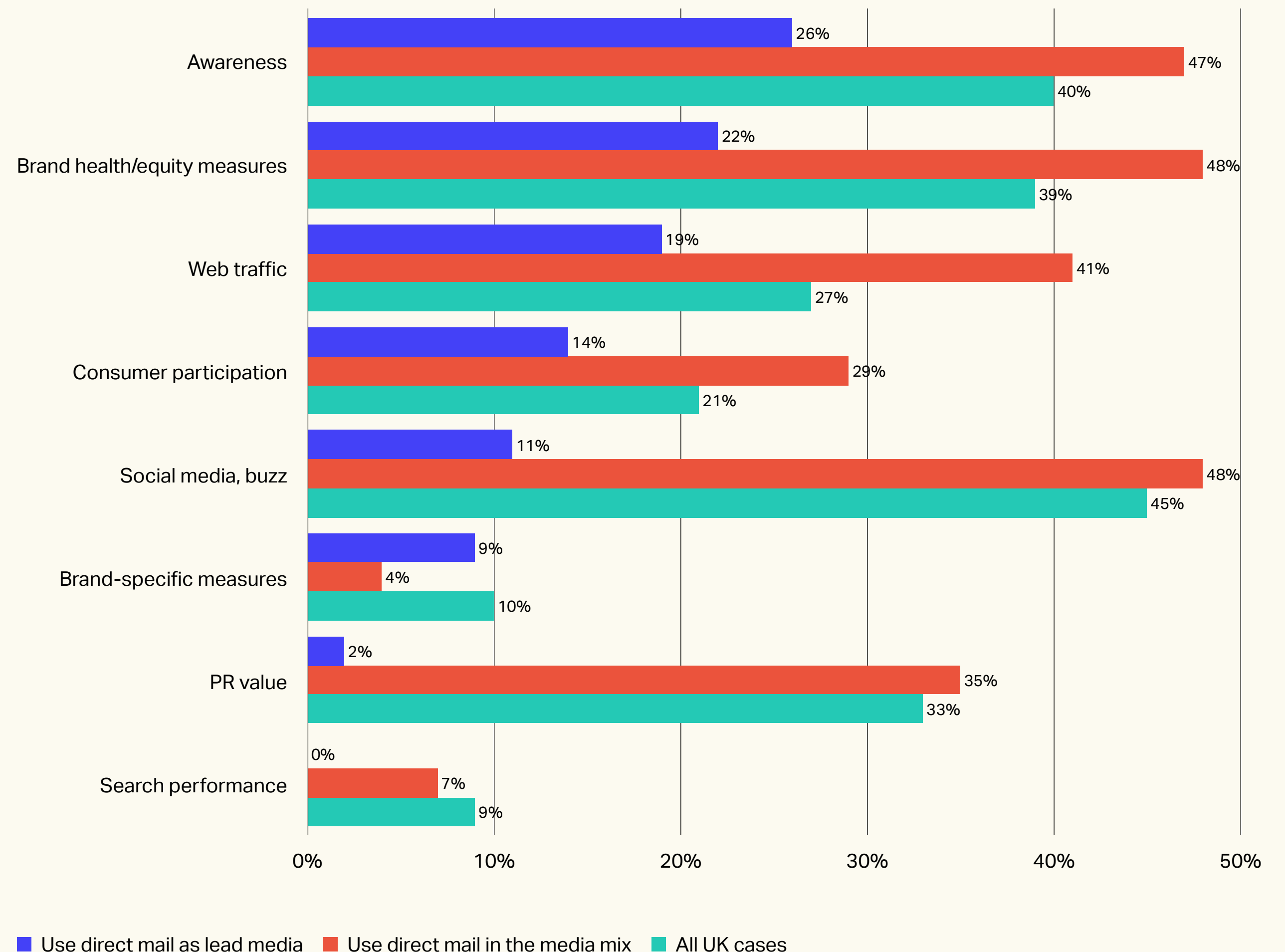
In contrast, DM is always delivered to the same place and taps into each recipients' daily routine of opening their mail. This predictability gives addressed advertising an average engagement rate of 95%, according to the latest JICMAIL figures.

This attention, captured by the physical nature of mail, drives brand awareness, reflected in Figure 6. Awareness is the most common soft metric measured in campaigns that lead with direct marketing, noted in 26% of cases that lead with direct marketing and in almost half of campaigns that use DM in the media mix.

Figure 6:

Soft metrics measured

UK cases that lead with direct mail, 2016 - 2020, % of cases

	Use direct mail as lead media	Use direct mail in the media mix	All UK cases
Awareness	26%	47%	40%
Brand health/equity measures	22%	48%	39%
Web traffic	19%	41%	27%
Consumer participation	14%	29%	21%
Social media, buzz	11%	48%	45%
Brand-specific measures	9%	4%	10%
PR value	2%	35%	33%
Search performance	0%	7%	9%

WARC

Spotlight on:

Cutting Through the Noise: the brain's response to direct mail

Royal Mail Marketreach and Neuro-Insight

To explore what this level of attention means for brands, Royal Mail Marketreach commissioned researchers at Neuro-Insight to uncover what happens in a consumer's brain when they receive and interact with physical and digital media.

The key metric in the study was long-term memory encoding: a measure of the strength of what is stored into memory as people experience a stimulus. This measure has been shown to influence decision-making and purchase intent, and is therefore both an enabler and a predictor of likely future action.

The study also measured engagement: an indication of how involved people are with the stimulus they are experiencing. Engagement drives memory encoding - if something feels personally relevant, the brain is more likely to put it into memory. It is generally triggered by material that is of personal relevance, making personalised direct mail an ideal fit for driving the metric.

Their insights revealed that mail is:
- **49%** more memorable than email
- **35%** more memorable than social media advertising
- **33%** more engaging than email
- **35%** more engaging than social media advertising

Neuro-Insight account for this by likening the medium's impact on the brain as building brand rooms for companies they interact with. A brand room is the space a company rents in a person's mind that starts out empty but builds up associations the more a person encounters the brand.

Further research from Royal Mail Marketreach and Neuro-Insight has shown that mail is not only interacted with, it is nearly twice as likely to receive the recipient's full attention as an email. These increased interactions and attention are a benefit here in building up associations with a brand. The more brand associations, the more likely for the brand to be encoded in memory.

Mail amplifies other channels

These positive brand attributes, and the uplift in attention and recall, are not just limited to mail. The researchers in this featured study showed that a person who has seen a piece of mail from a company will look at a social media advert from the same brand for 30% longer. The memory recall of a social media advert is given a 44% boost by a consumer who has received direct mail from the brand concerned.

WARC

3.2.

Gen Z added you as a friend

It may be surprising to hear that where direct mail is proving a massive hit is with Gen Z. Digital natives are responding well to brand experience which adds a physical element to online, so-called 'phygital' marketing. Research has found that nearly nine in ten like this blend of real and virtual marketing.

With mail trusted by 45% of 15 to 24 year-olds, direct mail is driving online interaction with brands. Nearly half (42%) have searched for a brand online after receiving a piece of direct mail and more than four in five (84%) have scanned in a QR code from mail to interact with a brand online.

88%
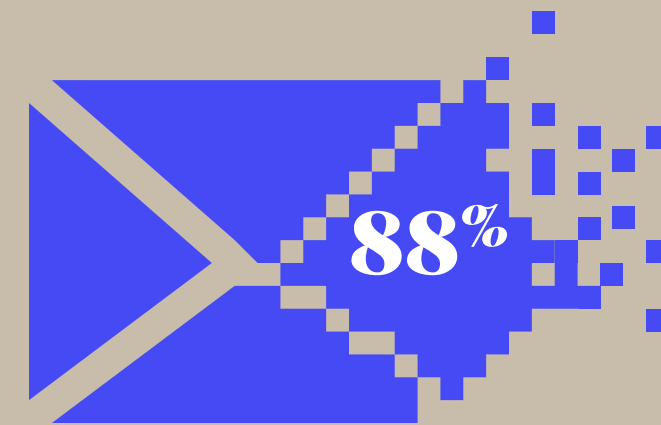
The rise of phygital

88% prefer a blend of physical and digital

Gen Z consumers want experiences that blend physical and digital channels. When surveyed, nearly 9 in 10 respondents said they preferred brand experiences that combine both.
CMO Council and Pitney Bowes

45%
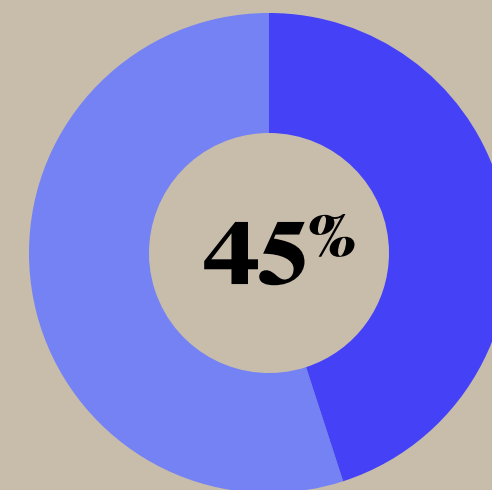
A question of trust

15 to 24 year olds are most likely to trust mail

15 to 24 year olds are more likely to trust mail than any other age group according to research. During lockdown, 45% said they trusted content delivered by mail. That's an increase of 6.5% on the pre-lockdown figure.
Royal Mail MarketReach, Coronavirus Research, Trinity McQueen 2020

42%
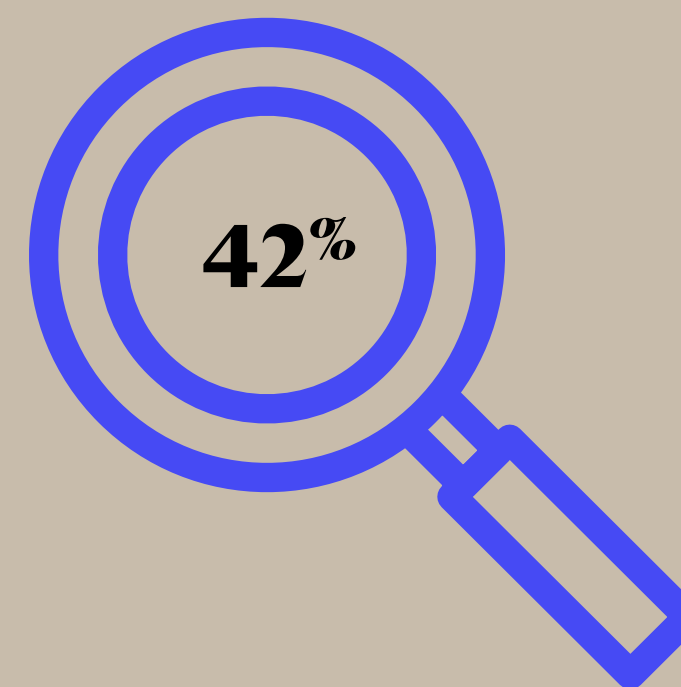
Mail drives action

42% have searched online

Mail is an important trigger for further action. In the last twelve months, 42% of 15 to 44 year olds surveyed have searched for information about a company after receiving mail.
Royal Mail MarketReach, Coronavirus Research, Trinity McQueen 2020

WARC

Case study: Ella's Kitchen

Owning a lifestage

Ella's Kitchen support pack drives awareness and consideration

CREDITS

Brand: Ella's Kitchen
Year: 2015 - 2017
Category: Food
Agencies: Havas

Baby food brand Ella's Kitchen was struggling to maintain growth in a market where copycat entrants had raised competition at a time when parents were taking nutrition so seriously, they started making their own pots of food.

The company was well known for making food babies want to eat in flexible packaging that can be squeezed into a baby bag without the risk of cracking, breaking or leaking – a common concern with glass jars.

The brand decided the key to growth was to 'own' a particular stage in a baby's nutritional needs. Every parent knows weaning babies

onto solids can be a difficult time and so Ella's Kitchen decided to stop overtly selling and concentrate on helping parents.

It launched the 'Friends of Ella's Kitchen' online service that gave guidance and tips to parents which was complemented by a support pack mailed out to new members. This included stickers which could be used to monitor progress on a wall chart typically stuck to the fridge door, making the brand a permanent fixture in parents' homes.

VIEW THE FULL CASE STUDY

Results

- **40%** of applicable parents signed up
- Brand awareness rose from **83%** to **89%**
- Consideration leapt from **69%** to **80%**
- Sales increased by **28.3%** between 2015 to 2017

WARC

Case study: Médecins Sans Frontières

Saving lives through a graphic novel

Médecins Sans Frontières doubles down on prosperous millennials

CREDITS

Brand:
Médecins Sans Frontières
Year: 2017
Category: Non-profit,
public sector & education
Agencies: Flourish Digital
and Direct Marketing

The medical charity had a strict policy of only asking donors for contributions once per year but as the Lake Chad emergency unfolded - combining violent conflict, climate change and hunger - it found donations were in decline.

The charity's strongest appeal is among young, wealthy professionals. MSF decided a graphic novel, telling the story of its staff's daily battles to save lives, was the best way to bring home the horrors of the situation it was facing and rally against supporter fatigue.

The graphic novel immediately grabbed the interest of the recipient and encouraged them to find out what the press were labelling the worst humanitarian disaster ever. The line drawings allowed the charity to depict truly awful scenes which may have been too shocking to show with photographs.

The graphic novel was distributed through DM, with support from television and online.

Results

- **40%** increase in donations on the previous appeal
- **Significant re-engagement** of lapsed supporters

The charity's work with DM has continued. During the COVID-19 pandemic, MSF and agency Crafted, used a mail campaign to raise money in the UK, using a QR code to make donations as simple as possible, contributing to:

- More than **£4.4m** raised
- Secured **thousands of new donors**
- **Improved ROI** on previous campaigns, making it the charity's most successful campaign of all time

WARC

Chapter takeaways

- **People pay attention to direct mail.** Marketers can use this attention to their advantage, with consumers typically interacting with it more than four times and when they do so being twice as likely to give it their full attention as email.

- **Mail helps consumers to think positively about a brand.** They are twice as likely to feel valued by a piece of mail as they are an email, and twice as likely to be left with a positive feeling towards the sender.

- **DM can be more memorable than email.** The positive sentiment engendered by mail means campaigns using DM are 49% and 35% more memorable than email and social media campaigns respectively. This positivity rubs off. Consumers who have seen a piece of direct mail first will spend 30% longer dwelling on that brand's social media adverts.

- **Gen Z respond to 'phygital' campaigns.** This demographic is particularly open to receiving physical mail that encourages digital interaction. Nearly half have searched for a company online after receiving mail and more than four in five have scanned a QR code to access their site directly.

WARC

Chapter 4

Driving participation through mail personalisation

Marketers are not only re-evaluating DM as both a performance and branding medium, but also the technology used to make sure the right message is delivered to the right consumer's hand at the right time.

Through the recent integration with CRM platforms, highly-personalised DM can be holistically integrated in the mix to connect with consumers at every stage of the funnel, from raising awareness to consideration and from conversion to after sales care, as well as encouraging upgrades and cross-selling.

WARC

4.1.

Personalisation leads to action

Personalising DM using customer insight data can ensure that a person receives the most appropriate messaging, enhancing its impact. Personalisation can extend past just an address - the messaging can speak directly to their past behaviours to anticipate future purchases, with offers, products and services tailored to this customer data.

That could be as simple as sending timely vouchers, based on purchase history, to directly speaking to the consumer about their past holidays and what that means they will likely be interested in next through a personalised brochure – check out the Titan Travel case study on page 42.

4.5

Personalised DM
is read an average
of 4.5 times

33%

33% of direct
mail leads to a
commercial action

WARC

Figure 7:

Creative strategies

UK cases that lead with direct mail, 2016 - 2020, % of cases
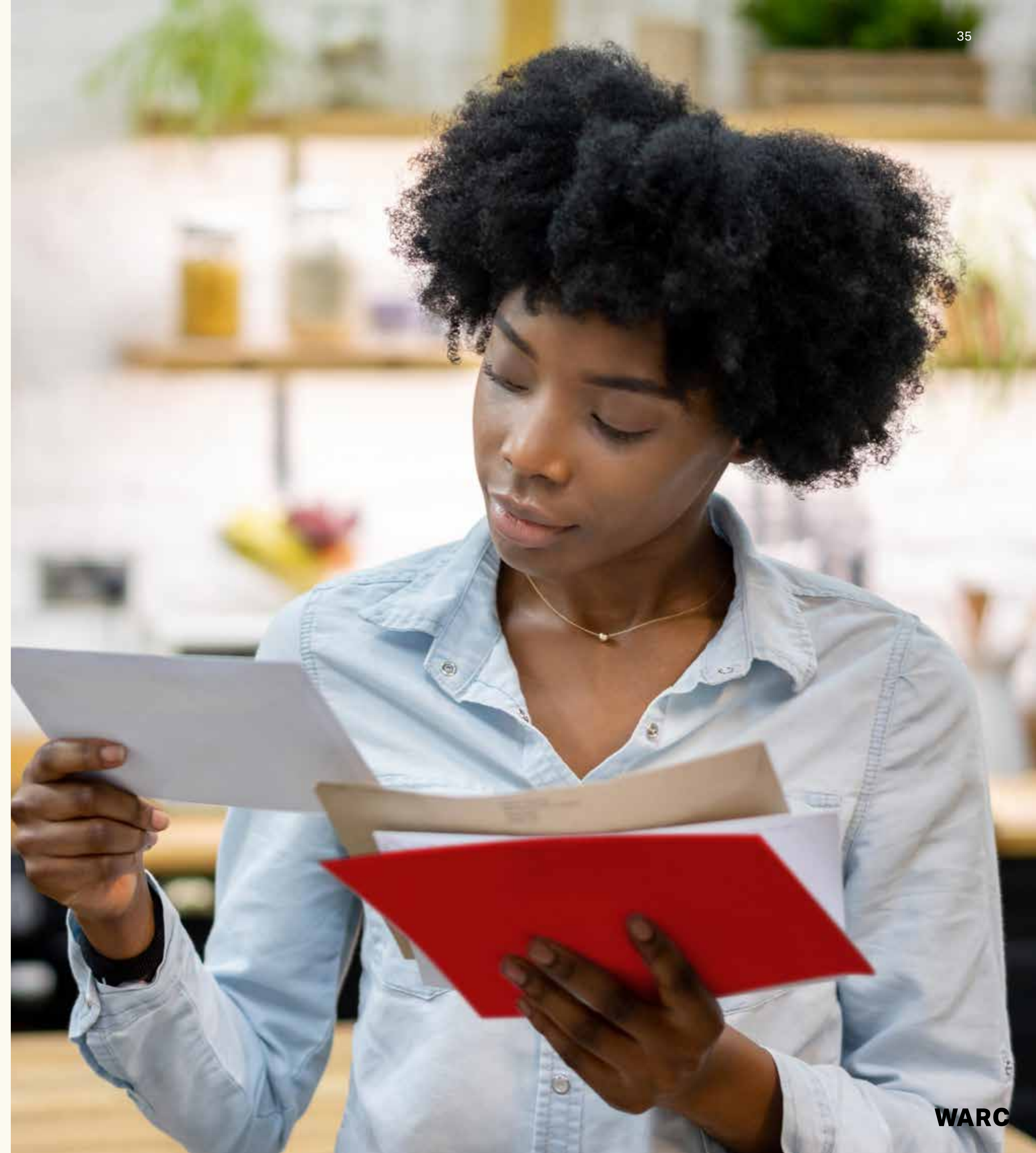
Our analysis of successful case studies shows that personalisation is used as a creative strategy in a quarter (24%) of the effective campaigns in our case study set, over-indexing versus the average UK case study. And with two thirds of our DM cases using informative or educational strategies, the combination with personalisation is evidently driving results.

A study by the Boston Consulting Group found that brands which offer individualised products, services or experiences are growing revenues by 6-10%, which is 2-3 times faster than brands that do not. This is due to personalisation enhancing loyalty with high-value consumers.

However, the use of personalised DM in the mix could be the sweet spot for the medium. Research from the Ehrenberg-Bass Institute argues that personalisation is best used in combination with more traditional mass media campaigns that connect with the maximum number of consumers in a category.

Informative, educational: 65%, 47%, 42%
Emotion: 26%, 53%, 37%
Personalisation: 24%, 14%, 12%
Storytelling: 19%, 29%, 23%
User generated content, participation: 13%, 28%, 21%
Sustainability, responsibility: 13%, 25%, 20%
Humour: 10%, 22%, 16%
Advocacy: 5%, 10%, 12%
Partnerships: 4%, 25%, 14%
Stunt, spoof: 4%, 4%, 9%

■ Use direct mail as lead media   ■ Use direct mail in the media mix   ■ All UK cases

WARC

4.2.

Technology innovations drive participation

Given direct mail's unique proposition of being highly valued and placed in the recipient's hands, where it has their attention, many marketers are looking to use new tools that help consumers deepen their interaction as well as bridge the gap between paper and digital.

Brands can now include smells and sounds inside direct mail. Ink containing the smell of popcorn might be a useful way to convince people to sign up to a cinema's loyalty scheme, for example, or maybe an audio chip playing back the lapping of waves on a beach is the perfect accompaniment to a travel brochure.

Technology can take things a step further with augmented reality experiences that will allow an image within a piece of content to come to life or QR codes that can be natively scanned with a smartphone to open up a bespoke landing page for the relevant product, service or offer.

WARC

In the United States, cable company Spectrum wanted to bridge the gap between mail and TV entertainment. So, in addition to offering a deal on monthly subscriptions, it used AR to bring an exclusive comedy clip to life. Via a piece of direct mail, recipients were asked to download the AR app before pointing it at a picture of comedian Kevin Fredericks which then gave access to one of his recorded gigs.

WARC

4.3.

Use of influencers boosts engagement

Many brands are already using influencer marketing within their digital channels, resources and experiences. Repurposing this content can be a smart, affordable and efficient way to make the most of existing assets while helping push customers to transact. Digital photographs, illustrations, animations, social media posts, audio-visual content and quotations can all be repurposed for use in direct mail marketing.

Figure 7 showed that user-generated content (UGC) / participation was the fifth most common creative strategy in our case study set, with innovations in connected mail and packaging technology driving the ability and opportunity for brands to co-create content with customers and influencers.

With research showing that UGC impacts the purchase decision making of almost 80% of consumers, its use in combination with direct marketing, where it can have a lasting impact in the home, is a significant opportunity for brands wanting to get ahead of the curve with DM.

WARC

From digital to mail works too

This link from mail to digital can work in reverse. Brands are using mail as a reminder of a product while it is still fresh in the consumer's mind. Typically, this will be an abandoned cart which prompts a personalised piece of direct mail, or postcard, featuring a picture of the item, perhaps with an offer to convince the shopper to go back and make the purchase.

This can be used in conjunction with influencers. If a shopper adds an item to their cart, after clicking through from an influencer's post, the retargeted piece of direct mail or postcard could be from the influencer, perhaps with a discount code to encourage the shopper to go back online and finish the transaction.

Influencer partnerships are not limited to abandoned trolleys. Brands are using influencers' creativity as part of direct mail campaigns which show their products and services in the best light. Many will also feature a voucher code specific to a particular influencer so conversion rates can be monitored.

WARC

Case study: Royal British Legion

Honouring D-Day 75

The Royal British Legion drives interaction for D-Day
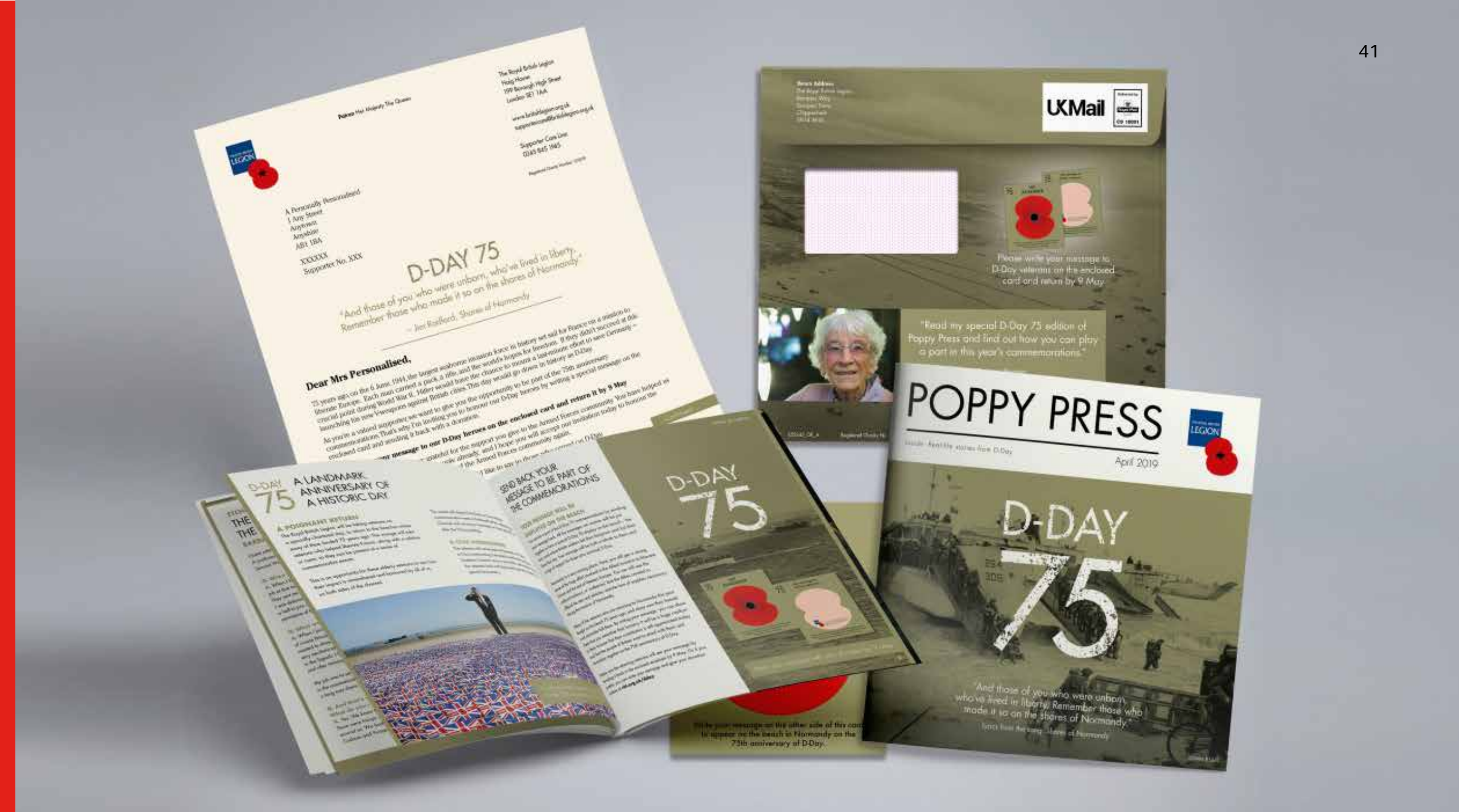
CREDITS

Brand: Royal British Legion
Year: 2019
Category: Non-profit, public sector & education
Agency: Cello Signal

D-Day is always a poignant day for The Royal British Legion. However, the 75th anniversary of the landings was particularly important because it was likely to be the last landmark celebration where representatives from those who took part in the 1944 operation would be able to attend.

The organisation wanted to mark the occasion by generating a huge amount of interaction around the country. Direct mail provided the perfect opportunity to send supporters a letter and sixteen-page magazine telling the story of the historical day through the eyes of those who lived through it.

The letter accompanying the mailpack offered an invitation to send back a message to those who served on the day. Messages received by the charity were combined into a massive display that spelt out 'D Day' on a beach in Normandy before being taken on a tour of the UK after the commemoration.

VIEW THE FULL CASE STUDY

Results

- **20,000+** letters and messages of thanks submitted
- In the first six weeks after the campaign, **calls, letters and emails rose by more than a third**

WARC

Case study: Titan Travel

Worldwide brochure – a personalised travel experience

Personalising travel brochures with Titan

CREDITS

Brand: Titan Travel
Year: 2020
Category: Transport & tourism
Agency: Accord Marketing and iProspect

Research at Titan Travel revealed that customers enjoy browsing a brochure to pick out their next trip, but the company wanted to go a step further and ramp up personalisation.

Its research found customers almost entirely fell into one of 11 customer segments. This allowed Titan to personalise its brochures based on looking at its 34 best-selling trips and understanding which customer segment would most likely want to book next.

The company had a choice of 34 different brochure covers which were tailored to customers, depending on their purchase history. Each customer's name featured on the cover with a suggestion of which three holidays they would most likely be interested in, referencing the last trips they booked with the company. The back cover featured calls to action that were specific to each customer category.

VIEW THE FULL CASE STUDY

Results

- ROI of **37:1** which represented a **533%** uplift compared to paid search marketing
- **Uplift in brand awareness** through social media sharing

WARC

Chapter takeaways

- **Personalisation works.** Direct mail is read at least four and a half times when it is customised, and 33% of direct mail leads to a commercial action. When Titan Travel personalised travel brochures which predicted where a named recipient would most likely enjoy visiting, based on previous holidays, it saw an ROI uplift of 533%.

- **Technology can deepen interaction.** Brands should consider deepening the impact of their mail campaigns through the integration of sounds, smells and tastes helping to set the scene for a marketing message and deepen its impact. QR codes are helping to bridge the gap between print and digital, and AV and AR can allow messages to come to life.

- **DM works for re-contacting digital leads.** Brands are using personalised direct mail to reach back out to customers who have left items in an online cart, or partially filled out a form, including codes to tempt them back. If the initial click came from an influencer's post, the DM can be branded by the social media star, potentially featuring a code that is unique to them.

WARC

Chapter 5

Gaining and retaining customers

Direct mail has a proven track record in allowing marketers to deliver on both brand and performance objectives.

The Data & Marketing Association's (DMA's) Intelligent Marketing Databank reveals just over half (53%) of campaigns set out to win new customers, while just over a fifth are aimed at retention. The remainder are a combination of the two.

Our research supports this data; Figure 4 in section 2 showed the campaign objectives most common to campaigns that lead with direct mail, with sales growth top and brand building second.

WARC

5.1.

Using mail for acquisition

Clearly, the channel has a particularly strong record in acquisition. Research into the IPA Effectiveness Awards Databank shows that campaigns including mail were 40% more likely to deliver top-ranking acquisition results than those that did not. The same databank also revealed campaigns using mail were 27% more likely to see a rise in top sales performance.

The analysis revealed that when direct mail was used in the mix, a campaign would deliver market growth at three times the efficiency of those where mail was not used.

The high performance is likely down to the medium being trusted. 87% of recipients consider mail to be believable, compared to 48% for email. As a result, mail is welcomed into the home. Nearly every piece of mail (95%) is read, open or filed and nearly a quarter (23%) is shared with people in the recipient's household. So, attention and retention of brand communications is high and with a fifth of coupons being shared among friends and family, the viral nature of direct mail should not be overlooked.

37%

37% of UK direct
mail campaigns focused
on sales growth

WARC
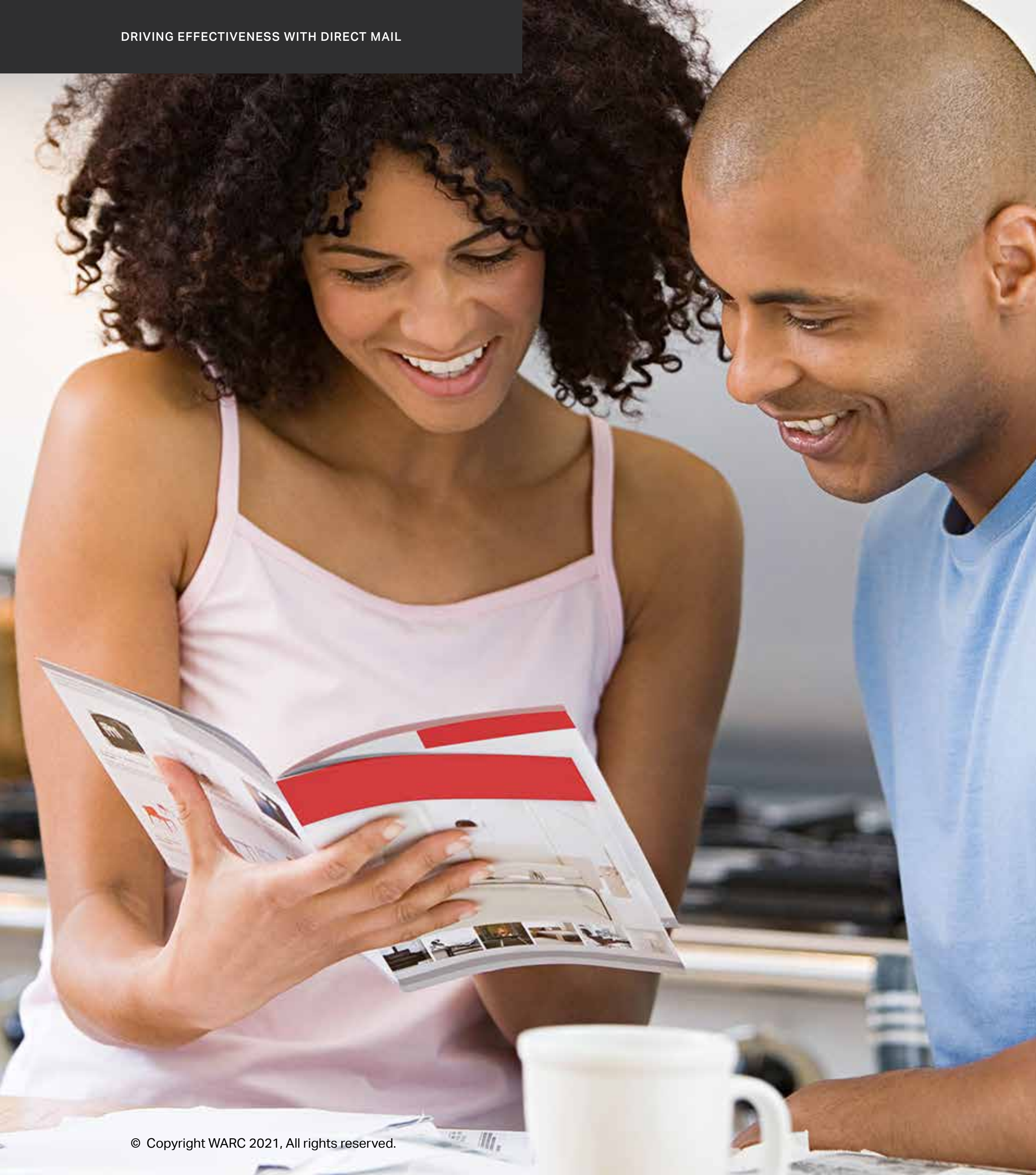
The medium is highly effective at winning new customers because it can tailor the response mechanism to a defined demographic. Response rates vary from campaign to campaign, but typically range up to 10%, and can climb higher if a campaign is sent to a precision targeted audience.

Though the medium is still subject to GDPR rules, meaning a brand has to ensure it follows guidelines on contacting customers and non-customers, PECR rules, which govern communicating digitally, do not apply. Direct mail also allows geographical targeting without using personal data. Door drops and partially addressed mail, for example, can be targeted by postcode, with each covering an average of 15 houses.

WARC

5.2.

Using mail for retention

In a business climate that prizes recurring revenue models such as subscriptions, marketers are looking at new ways to drive repeat purchases in this new climate of e-commerce, alongside the need for a strong acquisition strategy to promote business growth.

With customer experimentation on the rise, retaining customers is more important than ever. Nearly a third of customers (32%) - and as high as 43% for millennials – have tried new brands during COVID-19 lockdowns, and 97% intend to carry on buying from them.

Recent surveys have revealed that brands are actively pursuing customer retention strategies to hold on to these new customers. The Gartner Annual CMO Spend Survey 2020 found that customer retention (64%) and loyalty (60%) are marketers' two top objectives for 2021, and its CMO Strategic Priorities Survey found that 73% of CMOs will focus on existing customers to fuel growth in 2021.

33%

33% of UK direct mail campaigns focused on brand building

WARC

Retaining customers will require brands to make people feel valued and DM scores well here. 70% of customers feel valued when receiving mail - more than twice the proportion who feel the same way about email.

In the media mix, DM is being deployed to complement online CRM strategies, allowing brands to show customers they are valued. When Waitrose started to use DM to nurture high value customers with 'Just for You' vouchers, it found that redemption rates leapt by 50% and its Net Promoter Score jumped 55 points.

WARC's Guide to Customer Retention looks at the importance of having a customer lifetime value (CLV) model to aid marketers with how to prioritise acquisition and retention. With direct mail's unique contribution to the marketing mix in its interactivity and longevity in the home, the medium has a role to play in boosting CLV, providing opportunities to give customised experiences to high-value customers, but also retention opportunities for those less engaged.

Example:
thredUP uses personalised DM to retain customers and reduce churn

Reaching out through personalised DM can help in both preventing churn and winning back lapsed customers. Second hand clothing retailer, thredUP, realised that it was too reliant on Facebook ads, the cost of which was highly variable. It decided to mail regular customers who had not placed an order for at least a month, a personalised invitation and voucher code to come back online.

The messaging referenced new items the shopper is likely to be interested in, based on their previous shopping history. The use of these personalised mailings resulted in a 20% boost in reorder rates.

44%

44% of the UK population now looks forward to receiving mail
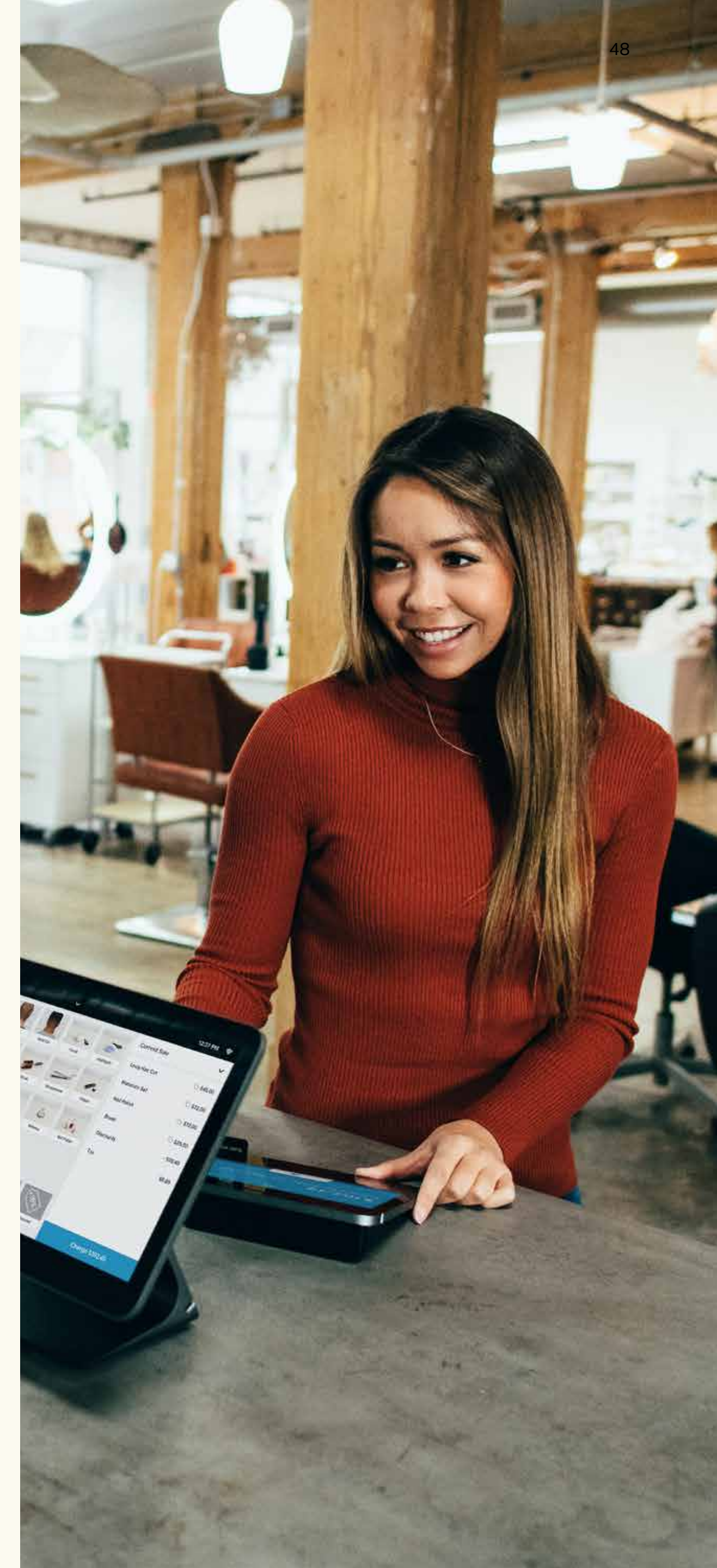
Case study: Pets at Home

Very Important Pets Club

Direct mail drives VIP retention
for Pets at Home

CREDITS

Brand: Pets at Home
Year: 2020
Category: Household
& domestic

Pets at Home's Very Important Pet loyalty club was already successful, but the brand knew it could tap into the benefits of personalisation to drive up customer retention further.

It knew owners wanted offers and information that were more relevant to their pet and breed. This formed the basis of a highly personalised direct mail campaign that encouraged people to sign up to the relaunched VIP programme.

The new club is so personalised that the reward direct mail letter, giving details of loyalty points and relevant offers to those who have signed up, contained 178,000 permutations.

The campaign's results underline how Direct mail can deliver against both performance and brand objectives.

VIEW THE FULL CASE STUDY

Results

- **£34m** in sales, **5%** of group total.
- **10%** rise in customer retention rates
- **1 million+** new club members

WARC

Chapter takeaways

- **DM delivers new customers.** IPA research shows that campaigns using DM are 40% more likely to deliver top acquisition rates compared to those that do not.

- **DM can reach entire households.** Nearly a quarter of DM, 23%, is shared with other household members, so it has the potential to go viral built in, at least within the recipient's property.

- **Attention drives acquisition.** The interaction and time spent looking at DM can be persuasive in winning new customers. More than a fifth of 15-to-34-year-olds have switched brands after being mailed.

- **DM as a great retention driver.** DM makes 70% of recipients feel valued - more than double the proportion for email. Personalisation drives this value, resulting in uplifts in retention metrics like NPS.

WARC

Chapter 6

Measuring the impact of direct mail

The importance of measurement has grown as channels have diversified and proliferated. With the challenge of cross-channel and cross-device measurement present in the everyday roles of most marketers, the importance of having frameworks and metrics in place – or following some sort of best practice – has increased.

Measurement of direct mail has a tendency to be pushed behind digital channels, often perceived as easier to track, but the case studies we analyse for this report demonstrate the need for, and ability to, track mail's effectiveness. This measurement is vital for continued investment in the medium, and this chapter provides best practice and advice for making the most of adspend on mail, through pre, during, and post campaign measurement.

WARC

6.1.

Metrics for measurement

There are numerous metrics for brands to measure the impact of DM and the approach taken will rely on the type of business, the audience being targeted and the intended action a marketer was looking to inspire. To get the full picture, brands need to look at direct and indirect outcomes from running direct mail campaigns.

Business metrics
For business metrics, organisations will typically look to measure how a DM campaign affected profit, market share, market penetrations and sales levels, among others. The marketing department will also take into consideration branding outcomes, such as awareness, consideration, brand perception and purchase intent.

Response metrics
Individual campaigns can also be measured for response. Businesses will want to measure outcomes such as footfall, leads, acquisitions, booking and conversions. Marketing departments will likely want to drill down into the mechanics of a campaign to measure reach, frequency, clicks through to sites and social media engagements.

This can lead to a vast array of measurable insights, however the combination of branding, performance and campaign metrics can be confusing. The advice from the DMA is to whittle down metrics to those which relate to the outcomes a business was seeking to impact.

JICMAIL measurement

JICMAIL was established to provide audience measurement data for direct mail and provide measurement of the effect of a campaign, including converting the reach of mail into ad impressions. This allows brands to work out CPM rates based on how many interactions, or impressions, each piece of direct mail solicits across the time it remains in the home.

The JICMAIL metrics system can give performance data for a campaign as well as providing further measures of mail's impact including starting conversations with friends, visiting a website or planning to make a purchase.

WARC

6.2.

Is direct mail the answer to a cookieless future?

An area that is bound to attract a lot of attention is direct mail's ability to step in where third-party tracking cookies will leave off. These tracking codes are already being dropped by some web browsers with Google extending a promise to phase them out to the end of 2023.

This is giving brands even more encouragement to use personalised URLs and QR codes so they can legitimately identify a site visitor and track back their interest to a DM campaign and then further monitor if they go on to convert. Many are combining voucher codes into unique URLs so the web address is linked to a single user, as is any offer they receive.

As the ability to track users around the internet wanes, personalised DM campaigns offer brands a way to both engage customers and prospects at the same time as they monitor the success of campaigns to an individual level.

WARC
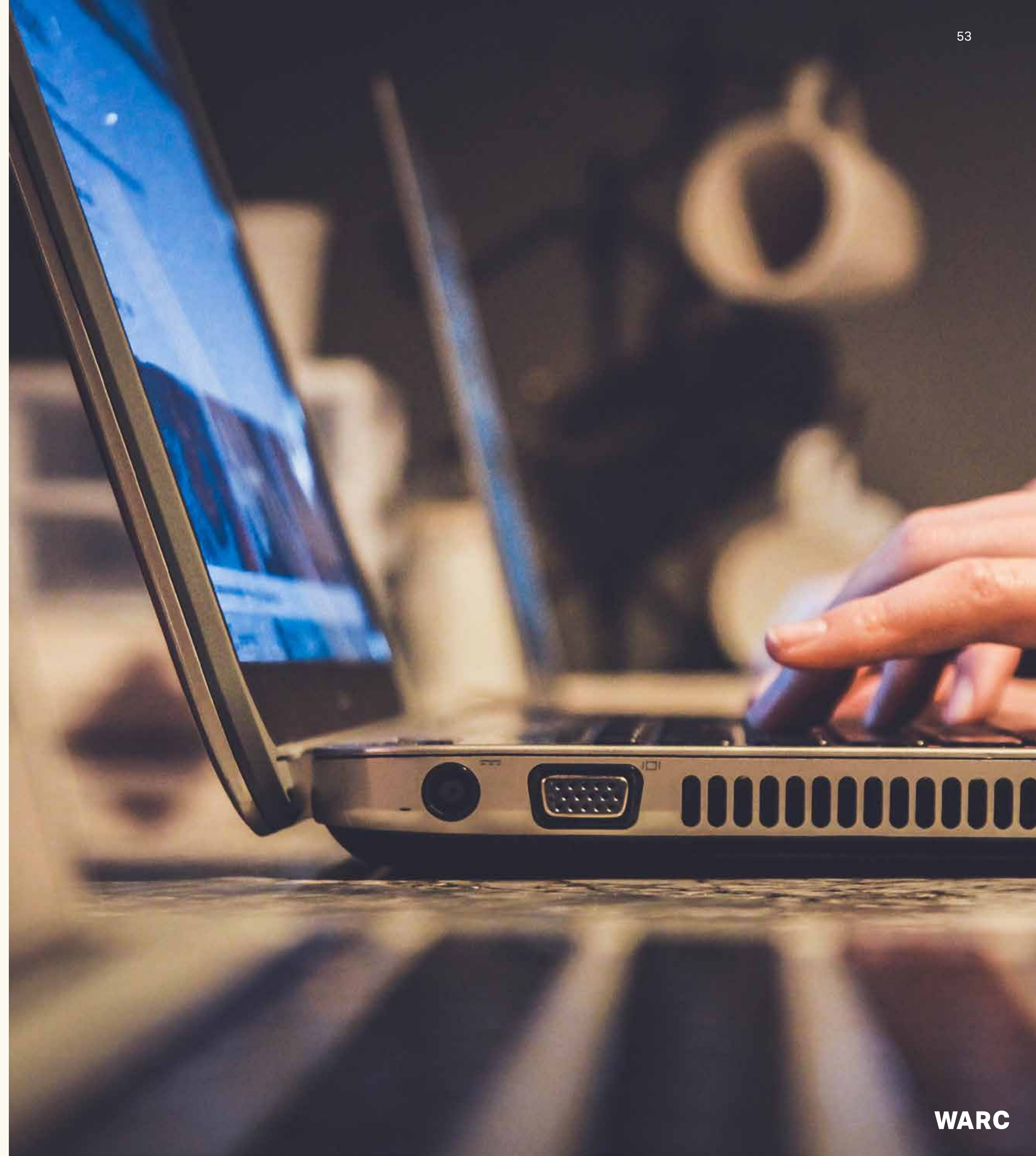
6.3.

Success with direct mail: 3 steps to accurate measurement

Step 1: How to prepare for your DM campaign

Accurate measurement requires preparation of clear objectives and a tracking plan - understanding what you're trying to achieve, how it fits with your overall plan and customer journey, the costs involved and what you will need to know about your business to properly measure and prove its impact. This section aims to provide a framework for direct mail measurement – before, during and after the campaign's execution.

1.

Set key KPIs and make them SMART – Specific, Measurable, Achievable, Realistic and Timely.
Example: Create a recruitment programme to increase uptake of new customers by 5% above market growth over 2 years.

2.

Understand your key metrics – what are the specific metrics most important to your business? AOV, CLV, order frequency, rate of return purchase, donations, appointment attendance? *See How to measure your DM campaign.*

3.

Understand your marketing costs - print, post, production and data.

4.

Choose your tracking mechanics – what are the mechanics you will use to track response to your DM campaign? *See How to track your DM campaign.*

5.

Complete ROI scenario planning – use the above metrics and your previous experiences to set realistic payback / profit / success expectations.

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Step 2: How to track your DM campaign

There are many response mechanisms available to make it easy for customers to respond to your campaign. It's important to consider a variety of response options as customers will have different channel preferences and may not respond using the mechanics on the DM pack - some won't even redeem incentives.

Consider your audience and use both direct and indirect mechanics to gather as much information as possible, such as:

- **Coupon / promotion codes**
  A unique redeemable incentive linked to your mailing

- **Bar codes**
  Perhaps specific to a store or outlet

- **QR codes**
  Leading to unique landing page or site address

- **Telephone numbers**
  Unique to specific campaigns or regions

- **Address match back**
  Pairing mailed addresses to new / responding customer addresses

- **Control groups**
  Tracking sales or behaviour changes between groups of customers or stores exposed to marketing and those who were not

Step 3: How to measure your DM campaign

Think about what role mail will play in your organisation, how it supports the customer journey and measure it accordingly.

Not every metric may be impactful or important to your business.

- **Response rate**
  How many customers reacted?

- **Conversion rate**
  How many customers followed your call-to-action?

- **Cost-turnover ratio**
  How effective was your direct mail campaign?

- **Return on investment (ROI)**
  How profitable was your direct mail campaign?

- **Average order values (AOV)**
  How much did customers spend on average?

- **Cost per order / acquisition**
  How much does a new customer cost?

- **Customer lifetime value (CLV)**
 What is the total value of a customer over your entire relationship with them?

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6.4.

Long-term measurement through econometric modelling

This chapter has introduced ways to measure the impact of direct mail in the media mix, encouraging marketers to see beyond the measurement challenges traditionally associated with the channel, and to develop thinking beyond last-click attribution.

One way to move beyond last-click, is via econometric modelling. This is a broad-level analytical approach that enhances understanding of marketing effectiveness and the benefits of long-term advertising.

Econometric modelling can determine which media channels offer the best return on investment - important for channels like direct mail, which often go under the radar in terms of impact - and requires effective measurement of both media impact and results.

The technique enables brands to explore and maximise the value from integrated programmes, putting all media and their impact on an even footing in an integrated approach.

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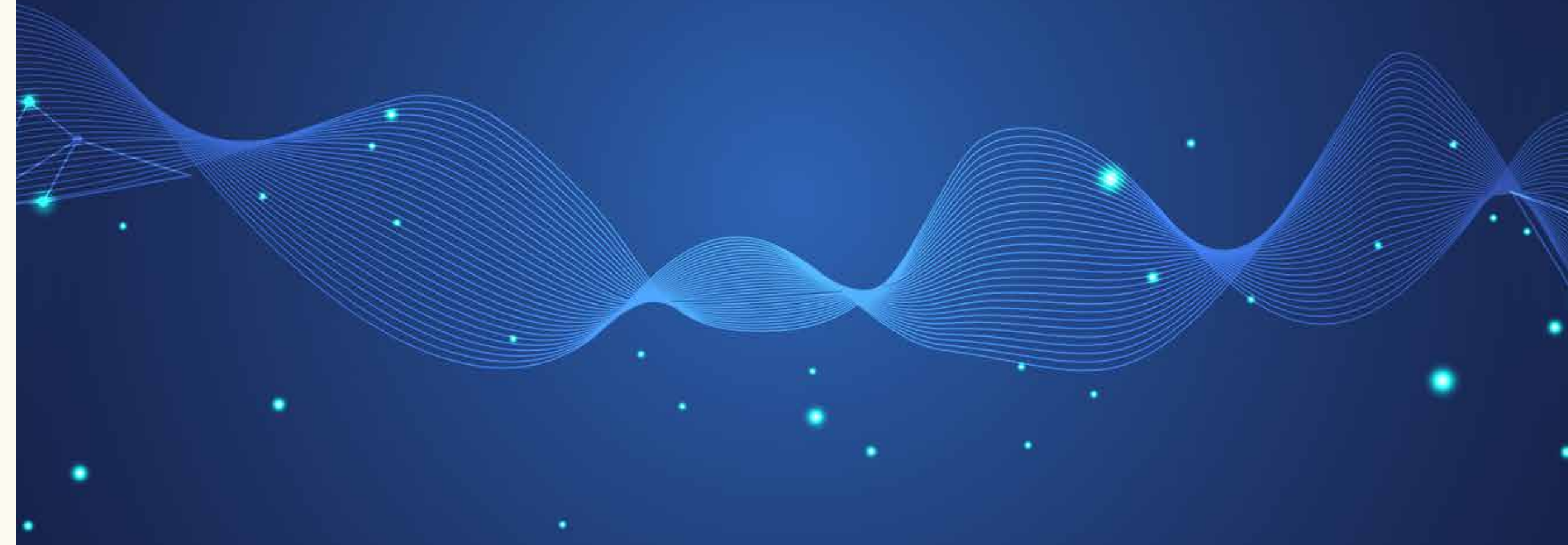
Spotlight on:

Best Practice Econometrics

JICMAIL

For the direct mail channel, data and analytics provider, JICMAIL, provides marketers with mail metrics that mean the channel can be integrated into these more advanced and holistic measurement frameworks.

As introduced earlier in the chapter, JICMAIL was established to provide audience measurement and campaign impact data for direct mail, and its use can improve the integration process of direct mail into econometric models.

In its best practice paper on DM econometrics, based on a roundtable discussion in 2019, JICMAIL focuses on four overarching themes to which JICMAIL data can be applied, allowing marketers to better understand mail effects in econometric models.

**Marketers can use JICMAIL data to:**

1. **Convert mail items to ad impressions** - providing marketers with a common campaign language that allows practitioners to consider reach, frequency and impacts across all media channels on a like-for-like basis:

Item Reach =
average number of people per household who are exposed to a mail item

Audience Reach =
number of mail items x Item Reach
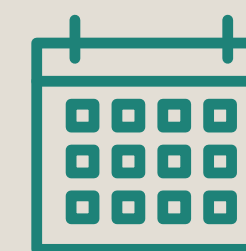
Frequency =
the number of times the average mail item is interacted with over a 28-day period

Impressions =
Audience Reach x frequency

2. **Analyse mail behaviour to test model assumptions** - allowing marketers to explore multiple data sources of mail behaviour data, test hypotheses and help to triangulate in on as accurate a version of the truth as possible.

3. **Measure the full range of mail effects** - providing 12 different types of commercial outcome in response to mail exposure, uncovering the broader halo effect of mail exposure and allowing the relationship between mail and digital outcomes to be factored into model outputs.

4. **Assess brand specific and competitor mail campaigns** - providing brand specific data that can be used to calculate campaign average interaction rates, and a Mail Item Database, used to give a detailed view of campaign dates and audiences reached by mail type, and thus a measurement of performance over time.

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"While mail has long been acknowledged as a powerful channel for driving response, traditionally there have been a number of measurement challenges that the channel has faced which often result in its role in the media mix being under-reported. Pervasive use of last-click attribution techniques impact the digital effects of media attributed to mail, while a failure to acknowledge both the ad impressions generated (and related to that, reach and frequency) by mail, and its effects earlier on in the customer journey (such as physical and digital brand discovery and word of mouth) undercook mail's role in econometrics models.

JICMAIL provides a powerful independent source of data to address these problems, and with over a hundred organisations now taking JICMAIL data, these measurement challenges are increasingly being dealt with head on."

Ian Gibbs
Director of Data Leadership and Learning, JICMAIL

"With increasing focus on marketing effectiveness, it's encouraging to see further best practice guidance from WARC, Marketreach and JICMAIL to boost better business performance. The direct marketing industry is rising to the effectiveness challenge by providing data to enable better diversity in media planning and the inclusion of direct mail in holistic measurement frameworks. When direct mail is done properly; with the smart use of data, personalisation, creative and emotional triggers, it remains a highly effective component for building connections with consumers as part of an era of digital transformation."

Sue Unerman
Chief Transformation Officer, MediaCom

WARC

Who we are

At WARC, our purpose is to save the world from ineffective marketing by putting evidence at the heart of every marketing decision.

We believe that effective marketing is based on facts and not opinions.

Since 1985, we've brought confidence to marketing decisions through the most trusted research, case studies, best practice, data and inspiration.

WARC
AN ASCENTIAL COMPANY

Today, we help 75,000+ marketers across 100+ countries. Our clients include the world's leading brands, advertising and media agencies, media owners, research companies and universities – including the top-five largest agency groups and top-five largest advertisers in the world.

Learn more about WARC Advisory here.

For more information on bespoke advisory projects contact katie.sterling@warc.com or amy.rodgers@warc.com

About Royal Mail Marketreach

Marketreach is the marketing authority on commercial mail. We're here to provide evidence of mail's effectiveness and get brands and businesses excited about its creative and strategic possibilities. In a digital age, mail is changing fast - we aim to keep you up-to-date on the latest innovations and opportunities.

As part of the Royal Mail Group, we are committed to responsibly managing our impact on the world and having a positive relationship with our customers, our people, our communities and our environment.

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