

TAKING ADVANTAGE

of Direct Mail & Digital Marketing

Ten years ago, you might get home from work to discover your mailbox bursting with promotions from different companies, each beautifully made, colorful creative package vying for your attention. But over the past decade marketing has changed, and your mailbox is a bit emptier now. That's because of the huge shift toward digital marketing.

Going online to advertise seems natural, since that's where almost everyone (from every generation) is hanging out—socializing, shopping, reading, researching, playing games—the Internet is an endless source of entertainment and productivity.

If everyone is shifting their attention to digital, then what about traditional direct marketing? Should you include direct in your overall marketing strategy? Is a digital strategy better than a direct strategy? These are important questions to consider when you're trying to make the best decision for your company. In this white paper, we'll go over both direct and digital marketing—the pros and the cons, and what happens when you combine them together—so you have all the information you need to move forward with a strong marketing plan.

DIRECT MARKETING

Marketing, in general, is a way to spread and promote news about a product or service to an audience of customers and prospects. Before digital marketing, direct marketing was the way most companies accomplished this goal (other options would have included print advertising, like magazine ads, or television commercials). A good way to differentiate direct marketing from other types of marketing is to think of it as a *tangible medium* your customer can hold in their hands.

Common direct mail formats

- Self mailers
- Postcards
- Brochures
- Catalogs
- Fliers
- Newsletters

Some direct history

Let's take a quick look at the history of direct mail, how successful it's been, and why it's here to stay. You might not know this, but direct marketing has been around for a long time. A really, really long time. All the way back to 1,000 B.C., when an Egyptian fellow wrote an advertisement on a piece of papyrus offering gold to find his lost slave (this remarkably preserved ad can be viewed today in the British Museum, if you happen to be in London). Other folks in ancient cultures wrote ads on stone tablets to promote their goods in the market place, sort of like mini billboards.

In 1440, the printing press was invented by Johannes Gutenberg—a gift to the world. Finally free from the weight of stone tablet marketing, direct marketing took flight around Europe. A few hundred years later the American colonies would take advantage of direct mail to sell life in the new world to Europeans. In 1691 William Penn created marketing pamphlets translated into Dutch and German that promoted life in Pennsylvania, which led to a mass migration to the state—a great example of a very early, very successful direct mail campaign.

Although it may be hard to imagine, early retailers were marketing merchandise through catalogs to colonists (yes, all the way back in the early 18th century!) Quite a bit later, in 1872, Aaron Montgomery Ward started his mail order business with a one-page catalog. In six years his business was making over one million dollars a year, earning Ward the title he holds today as the “founder of direct marketing.”

Richard Warren Sears followed Ward's lead, marketing to customers with flyers and catalogs. By 1896, Sears was mailing their catalog to a list of 300,000 customers.

Direct marketing helped Montgomery Ward and Sears turn into large, prospering companies. Since most of their business took place through the United States Postal Service, they didn't have the enormous expense of physical stores, which meant they could offer cheaper products than their competitors. Eventually, both companies opened stores across the country as customer needs changed.

Although Montgomery Ward is no longer in business, Sears is—and if you're old enough, you may remember receiving the Sears catalog and circling all the toys you wanted for Christmas in it. Such a long life for one retailer truly illustrates the power of direct marketing, and why it's still going strong today, even as technology changes the world around us.

There's a reason direct mail is still around

Despite all the technological advances of the Internet, direct mail still gets the job done in a way that's hard to beat. The 2017 DMA report documented that direct mail has the highest response rate of all marketing channels.

- Direct mail response rates rank stronger than digital channels:

5.1% for house lists and 2.9% for prospect lists, mail response rates consistently exceed the 2% response rate of all digital channels combined.

- DM response rates have gone up from 2.9% to 5.3% from 2003 to 2016 despite digital marketing.
- Customer response rates have gone up 43% and prospect rates have gone up 190%—this is due to pairing mailings with digital intelligence: browsing behavior and sophisticated modeling based on preferences to make mailings extra timely and relevant.

Advantages to direct marketing

- It's been around a long time and has a proven track record.
- It's cost effective when you work with an agency experienced in print/mail production who can get you the best prices on paper and mailing rates.
- It creates a high level of engagement with readers. Psychologically, direct mail is more memorable than digital because it offers a tactile experience that activates different areas of the brain.
- Direct mail does not face digital challenges like subscriber retention, unsubscribes, email sender reputation, spam traps, bounce rates, and IP-blocking issues.
- Direct mail is versatile—you can connect with your customers in a variety of formats, like self-mailers, postcards, brochures, and creative mail packages to stand out from the crowd.
- It's driven by metrics—just like digital marketing channels, using metrics and key performance indicators (KPIs) to monitor your direct mail can help you to get maximum ROI. Metrics like cost per acquisition, net response rates, gross response rates, and cost per mail can be used to analyze and fine tune your direct mail marketing activities.

Disadvantages to direct marketing

Despite all the pros of direct mail, according to the DMA 2017 study, direct mail has been slipping as the most used media, coming in at third place in this year's report.

This is probably because:

- There are a lot of other ways to reach people now (email, social media marketing).
- Direct mail is the most expensive of all those options, despite its reputation for high profitability and high ROI.
- Direct mail is not as easy to track as digital marketing, which gives immediate metrics.
- Environmental concerns—most direct marketing uses paper, and many consumers are concerned about the impact on the earth's environment. This can be remedied by using environ-



mentally friendly materials, such as recycled paper and advertising sustainability efforts.

- It's easy to think direct mail won't reach as many people as digital marketing. But the reach is more specific and targeted.

DIGITAL MARKETING

“Digital marketing” covers all the online marketing channels your business uses (or could use) to connect with current and prospective customers.

Some examples of digital marketing include:

- Your website
- Blog posts
- Email
- Social media
- White papers
- Pay Per Click (PPC)

A history of digital

Obviously this will be quick, because digital is new! But in the past decade, technological advances have made leaps and bounds over anything we've ever experienced before, and those changes have changed the world of marketing.

All the way back in 1981, IBM launched the first personal computer. The year 1990 introduced Archie, the first search engine, followed by Yahoo, Hotbot, Alexa, and LookSmart. The now all-encompassing Google started in 1998, and eventually took over the other smaller search engines in popularity (Hotbot, Alexa, and LookSmart folded). In 2001, Apple put the iPhone in our hands.

During these years, social media sites were popping up—My Space, Wordpress, LinkedIn, Facebook, Twitter, and the list goes on. Now, we can wear our iPhone on our wrist like a watch, and communicate with our friends through Facebook Messenger. It seems like improvements are made almost daily to search engines and social media, making “life” online easier and easier.

Since the advent of social media, online marketing has changed and grown exponentially from the first clickable web banner in 1994. Companies today rely on data collected online to create targeted marketing strategies delivered through digital and social media channels.

Advantages to digital marketing

Overall, there are a lot of positives about digital marketing.

- Digital marketing is more affordable—it's less expensive to send out multiple emails in one month than multiple direct marketing pieces
- Channels like email, pay per click, and social media allow you to reach a large number of people instantly
- Content marketing educates your customer without “selling” them and shortens the length of time to conversion
- Social media allows you to build brand awareness and connect directly to customers
- Retargeting keeps your product in front of interested customers.

Digital marketing offers invaluable data

Around the year 1480 William Caxton printed marketing pamphlets from his printing press in Westminster Abbey. Print still plays a major role in direct marketing today.



When used together, direct and digital offer a 39% higher response rate, 10% increased brand recollection, and 5% more emotional intensity.

You can get more information about your customers through digital marketing than through direct. By using a platform like Google Analytics, you can obtain the following stats:

- how many people visit your page
- where those visitors are located
- how much time they spend on your site
- how they access your site (desktop, mobile, tablet)
- bounce rates (visitor arrives and leaves almost immediately)
- changes in your traffic over time

Disadvantages to digital marketing

- Digital formats face challenges like subscriber retention, unsubscribes, email sender reputation, spam traps, bounce rates and IP-blocking issues.
- Data overload—digital marketing can track so much data it can be overwhelming. Knowing how to analyze it to your best advantage without professional help can be difficult.
- Customer reviews! This can be a pro and a con—people can leave reviews about your business online whether you have a web presence or not. Often you can respond to negative reviews and offer to fix the issue. It's important to keep you eye on your reputation, especially if you have a large company. Consumers regularly research companies before making a decision on one.
- Expense: hiring new employees or outside resources to manage your social and digital marketing

USE BOTH DIRECT & DIGITAL TO YOUR ADVANTAGE

After looking at both sides, the solution is to combine direct marketing with digital efforts. The fact is, **using both of these channels together in one integrated marketing strategy is far more successful than using just one alone.** They both bring value to the table; each supports the other. Digital channels give accountability to direct mail campaigns. Direct mail gives tangibility to digital. **Together, they offer more opportunity of reaching your customer successfully.**

**Need more help with navigating
the world of direct and digital marketing?
EdgeMark Partners can help. Visit us online today
at edgemarkpartners.com or call us at (800) 488-0289.**

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We look forward to working with you!