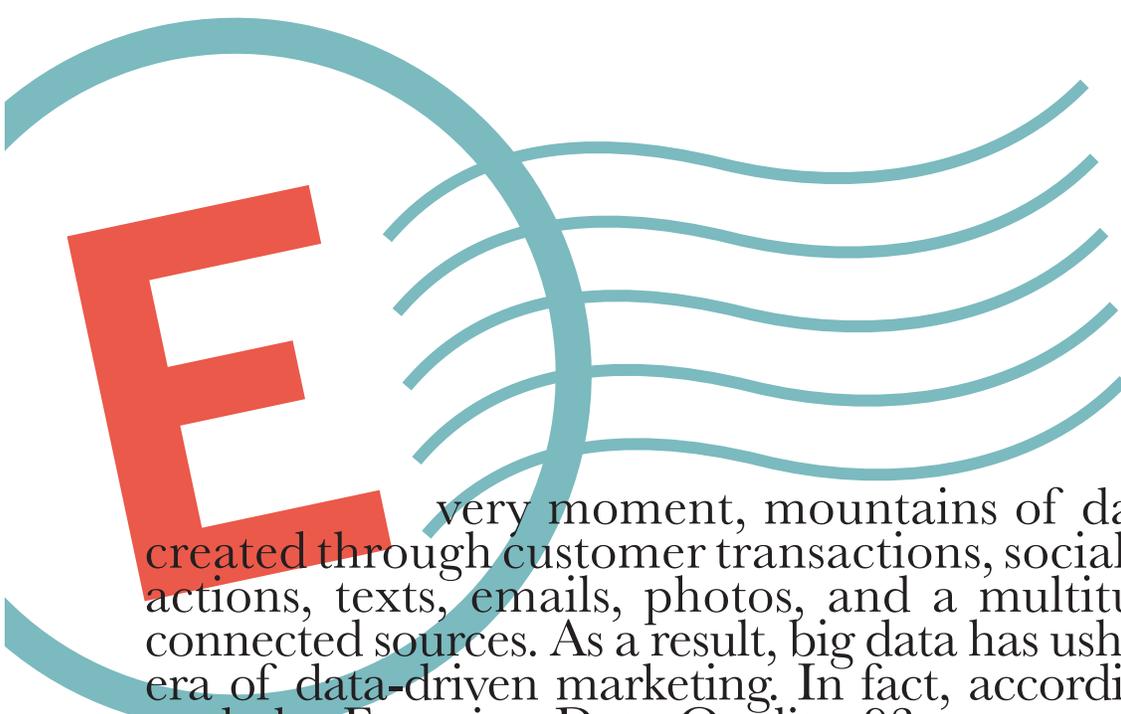




delivering maximum impact

how big data and omnichannel marketing work with direct mail

BY **CHRISTOPHER KARPENKO**



Every moment, mountains of data are being created through customer transactions, social media interactions, texts, emails, photos, and a multitude of other connected sources. As a result, big data has ushered in a new era of data-driven marketing. In fact, according to a 2014 study by Experian Data Quality, 93 percent of companies think some form of data is essential to marketing success.

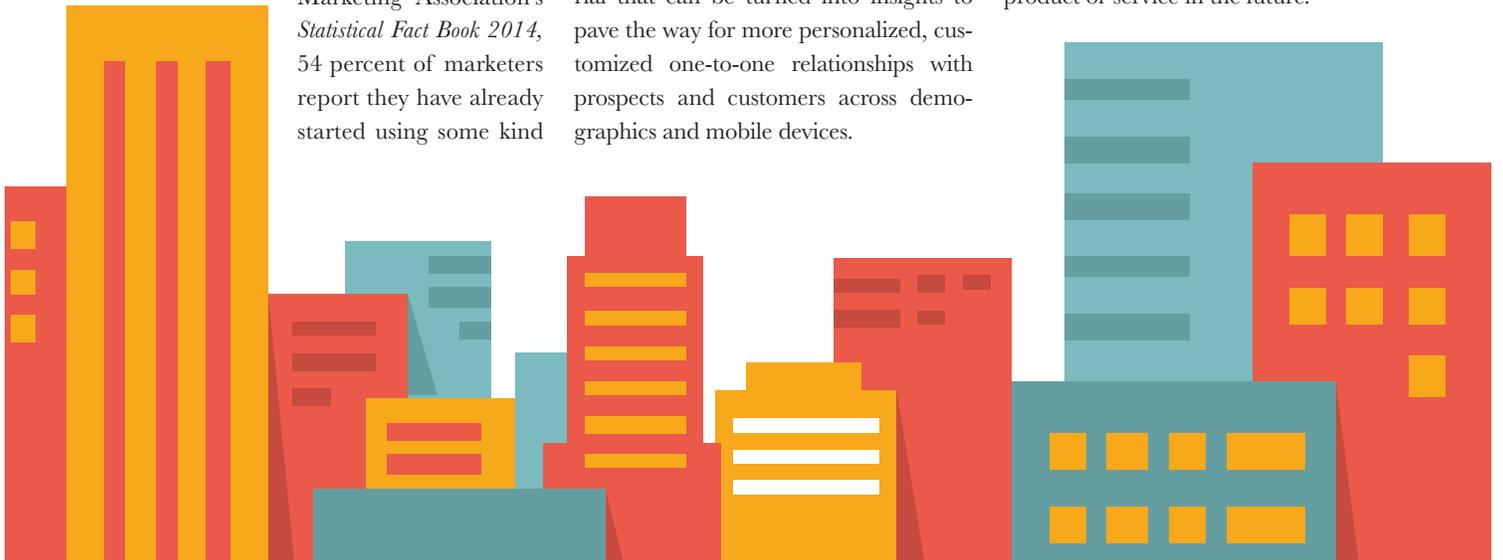
Why is big data a game changer? It digs down past surface demographics to uncover more detailed and personal information than was available in the past — information that holds the valuable insights marketers can use to obtain a clearer picture of who their customers really are. And for many marketers, it's a picture quickly coming into focus. According to the Direct

Marketing Association's *Statistical Fact Book 2014*, 54 percent of marketers report they have already started using some kind

of big data solution, with another 30 percent reporting they will start in the next two years.

The race is on to find ways to extract meaningful insight from all types of data. While it can be time consuming to harness big data and use it effectively in omnichannel efforts, doing so yields incredible rewards for marketers willing to put in the effort. Big data is the raw material that can be turned into insights to pave the way for more personalized, customized one-to-one relationships with prospects and customers across demographics and mobile devices.

Big data isn't just a fad — it's here to stay. In fact, it will get even more precise, personalized, and predictive in the future. Cloud-based analytics services are now being used to help marketers drill down through these massive amounts of consumer data and sort through consumer habits, social behaviors, and buying preferences to identify those consumers who are most likely to purchase a particular product or service in the future.



Using big data to build robust customer profiles can help companies identify new prospects with similar demographics, which can then be used to personalize and optimize email, social media, direct mail, and online marketing platforms. Marketers who are able to create customer experiences tailored to an individual's preferences and interests will be poised to rise above the marketing clutter.

direct mail and big data: better together

Thanks to big data and cloud analytics, today's direct mail is able to deliver targeted offers based not just on geography, but on more in-depth information like interests, spending habits, recent online- and offline-shopping behavior, and product usage. These offers can be so precise that they feel truly personal. Precisely targeted mailing is helping marketers get their marketing messages to the right people, at the right time, with the most relevant content.

The personal insights revealed by big data analytics play an important role in personalizing that message to make a greater impact and create a stronger call to action, ultimately helping to increase conversion rates.

For current or past customers, the message might focus on purchasing trends as a means to make recommendations for future product purchases, e.g., "If you liked that, you're really going to want this." In turn, the message used to attract new customers can

Breaking New Ground

The new Marketing Impact Calculator app

USPS believes that measuring the impact of marketing strategies shouldn't be complicated or expensive. To help marketers define how to maximize all media channels to provide increased incremental lift and ROI, USPS has developed a new tool: the Marketing Impact Calculator.

A unique media-mix application, the calculator, available to marketers working directly with USPS, demonstrates the power and impact — as well as the sales lift — that direct mail brings to an omnichannel campaign. It also serves as an easy-to-use ROI tool for marketers to delve into the details and measurements of a direct mail campaign. The calculator estimates the sales lift from 11 different media channels to demonstrate the added benefits of including direct mail in an omnichannel marketing campaign. It can also help increase a company's ability to use direct mail in conjunction with all other types of media. — C.K.

be more directly tailored to their specific tastes and purchasing trends.

Targeted mailings also create true one-to-one relationships, emphasizing personalized interactions with customers. For example, a postcard with a specific name, special offer, or nearby service location helps to build a relationship with individual customers. Big data can show companies which customers are more likely to purchase a product based on spending history. Using the information on demographics and lifestyle, marketers can now tailor the graphics or message in a mailing to fit the recipient, which makes it more likely to resonate and the customer more likely to respond.

staying on target

Building an authentic brand connection is key to engaging consumers' attention and getting messages to connect. Marketers are finding that the smartest way to do this is with an integrated, multi-channel approach rather than using any one channel alone.

It's all about bringing together the best attributes of each marketing channel to inspire, educate, entertain, help, and expedite the sales process, so marketers are there — throughout the consumers' experience — as they are browsing and when they are ready to pull the trigger and buy.

By leveraging big data, marketers are also able to create more highly targeted mailing lists, helping them boost the effectiveness of marketing campaigns. Targeting a message at those who are most likely to respond helps increase engagement rates and avoids wasting resources, time, and money. Lists also help marketers identify customers with specific buying habits or profiles.

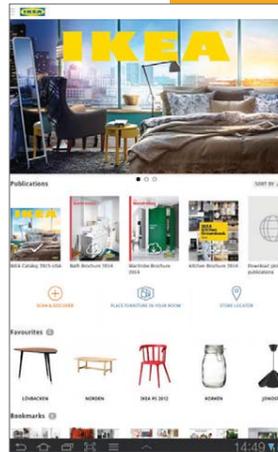
The mailing list industry, which has always been closely tied with direct mail marketing, is a mature industry with a long track record of success. Address databases also tend to be more valuable to marketers than email marketing lists because it is much easier for consumers to change an email address than a mailing address.

Bringing Direct Mail to Life

For a perfect example of marrying digital technology with direct mail to maximize the impact of both media, look no further than Ikea. To help its customers reimagine their homes with Ikea products, the world's biggest furniture retailer integrated a fun, digital interactive component that brought its print catalog to life.

Using an innovative AR app, users scan their Ikea print catalogs to help them visualize new furniture in the room of their choice. It's the ultimate personalized shopping tool, showing customers exactly how Ikea can enhance their homes.

— C.K.



omnichannel is more than a buzzword

Getting a customer's attention in today's competitive marketing environment can be challenging. To stand out from the crowd, marketers need to expand their marketing strategy to include

highly relevant, engaging, and trackable materials that support an omnichannel approach.

Using a variety of media channels can help stave off the standard trailing response rate of marketing campaigns. This strategy can result in upticks or surges that extend the response period. An omnichannel marketing approach is key to helping marketers connect with customers in multiple ways, allowing them to extend their reach and strengthen their impact. According to a 2014 survey conducted by Aspect Software, businesses that adopt omnichannel strategies achieve 91 percent greater year-over-year customer retention rates compared to businesses that don't.

Big data also plays a role in supporting an omnichannel approach. It fuels more personalized and targeted messaging, and drives more connected, integrated, omnichannel multimedia communication plans. Because consumers take diverse paths to digest information throughout the purchase process, marketers will need to engage them in equally diverse channels to ensure success.

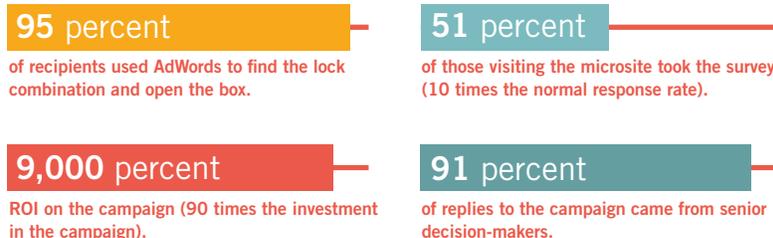
how direct mail fits into an omnichannel strategy

Today's customers engage with brands in physical stores, on company websites and sale sites, through mobile apps and catalogs, and via social media — and they're doing it all with multiple devices. According to a recent article by Marketo, a leading marketing automation provider, every aspect of the consumer's experience should be consistent and complementary.

Adding direct mail to an omnichannel strategy can help marketers squeeze maximum results from campaign spends by introducing a tangible element that stimulates the recipient's senses and invites immediate

Big Data Delivers Big Results for Google

Last year when Google Japan wanted to demonstrate the power of AdWords, its search-based advertising product, the tech giant used a clever direct mail campaign to reach 1,000 small businesses. Using AdWords technology to build its own list for the campaign, Google sent locked mystery boxes to recipients, inviting them to search for a specific phrase online in order to find the lock combination. The phrase led them to a microsite with AdWords case studies, an online questionnaire, and the right combination to the locked box, which contained a traditional fan and scroll, two Japanese symbols of success and prosperity. The campaign showed the business owners how AdWords works and created a fun experience that generated an overwhelming response. The results were tremendous:



action. Direct mail not only helps brands break through the marketing clutter, but it can help drive high-impact digital and online experiences, boost mobile app adoption, increase social media engagement via contests, and more.

By linking mail and digital technology, marketers can offer customers a unique brand engagement that stands out from competitors. And the seamless integration of on- and offline channels enables real-time behavior tracking and more precise campaign measurement.

Physical and digital marketing channels integration is producing a major increase in the ability to drive brand awareness and capture new customers. Direct mail does this by feeding leads into the digital ecosystem, which ultimately helps boost sales.

The 2012 Channel Preference Survey by ExactTarget concluded that “using direct mail as a foot into the consumer’s

door — and then inviting them to connect via another channel — makes great sense.” Diversification helps reduce risk and provides multiple avenues for experimentation and insight about what works and what doesn't. Incorporating multiple channels that link mail to digital content can empower businesses to bridge the physical and digital channels to gain new customers. Common channels that marketers employ to accomplish this include augmented reality (AR), quick response (QR) codes, or near-field communication (NFC).

Delivered right into the customers' hands, mail can help break through the media clutter and put customers on a path to online, real-time, and personalized experiences. ■

Christopher Karpenko is the director of brand marketing at the United States Postal Service. Email him at christopher.j.karpenko@usps.gov.