

CONTRIBUTED BY
CHRISTOPHER KARPENKO

When Paper



BY AIR MAIL
PAR AVION

HOW DIRECT MAIL IS BECOMING A KEY PLAYER IN THE DIGITAL WORLD

As connectivity is embedded into society, the lines between the physical and digital worlds are blurring. Pretty much every action now leaves a trail of data that reveals a person's daily activity in detail. From sharing thoughts on social media to sophisticated health tracking technologies to cookie-enabled targeting, this data footprint reveals valuable consumer insights that can be mined for marketing gold.

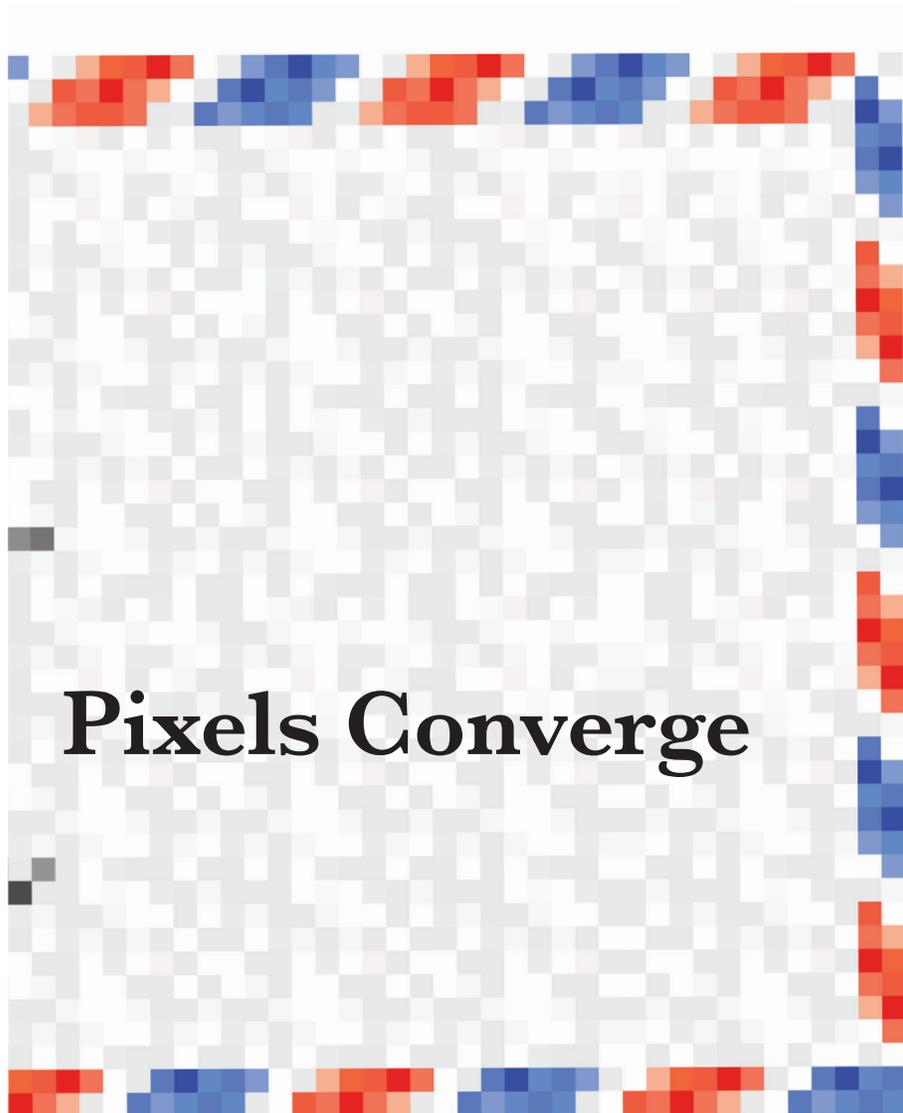
For marketers, the crucial step then becomes delivering clear messaging that spans the blur of physical and digital realities.

While this technology convergence affords marketers great opportunity, it also presents some new challenges. The collapse of boundaries between the business and personal use of technology is forever changing the marketing landscape, and this shift is empowering consumers to

dictate their own paths rather than follow a traditional marketing journey.

Millennials in particular are turning to crowdsourcing or open-source solutions for problem solving and getting answers through social platforms and online community responses. One does not have to look for very long to find new business models reflecting this cultural change. Uber, for example, is essentially a crowdsourced delivery company. Just press a button on an app and a car is quickly sourced from a community of drivers nearby.

Referred to as "The Maker Culture," consumer habits are being shaped by



Pixels Converge

peer-to-peer economies and communities that bridge the physical and the digital. They are increasingly sharing information and creating experiences — and even building physical things — through digital platforms. Marketers will need to adapt to this new ecosystem by finding new ways to reach this influential audience.

SENSING OPPORTUNITIES

We're already becoming a remote-control society. In 2007, according to a study by TSensors Summit Inc., there were 10 million sensors in use. By 2015, there

were 14 billion sensors connecting people digitally to their cars, appliances, and security systems. By 2025, TSensors predicts, there will be trillions of sensors in operation. Eventually, anything that can be connected, will be.

Smart homes and fitness trackers are now common, moving the Internet of Things from buzzword to reality. With this widespread connectivity, and as wearable computing moves from niche to broader use, marketers looking to compete will need to move away from traditional spray-and-pray promotional campaigns to marketing that is fueled by real-time data and

actual customer behavior. And as marketers refine their data-capturing processes, data-driven marketing has become an even bigger deal. It helps brands understand who their customers are and what they want. It helps marketers deliver deeper, more personalized content across channels and devices.

Previously, marketers counted clicks as they now collect likes on Facebook, but how many of those likes actually turn into sales is difficult to gauge. The new challenge is not to just get consumers' attention, but to actually trigger their participation. Delivering a relevant, personal, and disruptive customer experience is becoming critical to move the prospect from interest to action.

All of these trends show how prevalent the digital ecosystem has become. And to the surprise of many, direct mail is becoming an integral part of that ecosystem and is leveraging these trends to make it more powerful.

Mail is taking on a new role because of its unique ability to bridge the physical and digital worlds. This will make it a key marketing player now and in the coming years, as the real world and the digital space continue to converge.

THE END OF DIRECT MAIL AS WE KNOW IT

Direct mail has evolved. It's technology savvy, it's become an enabler of the digital world, and it's keeping pace with the digital evolution. Already a powerful marketing channel because of the way people interact

[CASE STUDY]

Chick-fil-A combined paper and pixels to generate awareness and results

Here's an example of how direct mail combined with interactive elements garnered noteworthy consumer response

Chick-fil-A is one of the largest privately held restaurant chains in the U.S., with nearly 1,950 locations in 42 states and Washington, D.C. Local franchise owners in Covington, La., needed a direct marketing solution that would help them establish a customer database and increase store traffic.

A plastic postcard with two perforated cards featuring campaign offers was mailed to consumers in the area. Recipients were instructed to log on to their personalized URL (pURL) in order to activate the offers, and visit a restaurant to redeem them.

Upon visiting either the pURL or a generic URL, users were taken to a customized microsite for the Chick-fil-A campaign. They validated their contact information on the first screen, selected the offer they wanted to activate, and answered a few questions. Next, they were given the opportunity to share the offer through social networks, email, and SMS. All recipients who shared the offer with friends were entered into a sweepstakes.

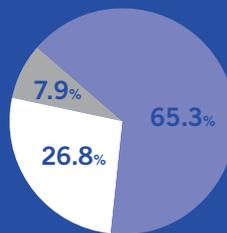
A 2011 study of Chick-fil-A's direct mail campaign by the PODi Institute reveals it gained significant exposure by leveraging viral elements. Here are some highlights from the results. — C.K.

22%

Direct mail piece response rate; 1,111 users logged on to their pURL to activate their offers.

14,124

Number of visitors to the campaign's microsite, thanks to the campaign's social sharing incentive.



How Consumers Came to the Microsite

- Social sharing (i.e., text, email, social networks)
- Direct sharing (i.e., cards with generic URLs passed out to local businesses)
- Personalized mail

6,000

Number of individuals who provided their contact information—a 120.6 percent response rate. Since a third-party list was used, all data captured was new, delivering a higher number of leads than the initial outbound campaign.

24.8%

Coupon redemption rate. Store owners reported 1,300 coupon redemptions from the campaign. The number of redemptions from viral sharing almost equaled those from direct mail.

5,000

Number of plastic postcards sent by mail.

279.8%

Campaign visit rate, thanks to the campaign's social sharing incentive.

Post-campaign analytics

The intelligent data collected through this campaign gave store owners key insight into their customers to inform future marketing strategies. The campaign analytics identified the primary demographic as women between the ages of 31 and 40, and pinpointed the geographic location of their market.

with a physical piece of paper; what makes mail even better is that it can now extend that tactile experience into a digital mobile experience — providing greater value for the sender and receiver.

In turn, technology is renewing mail's relevancy. Augmented reality (AR), near-field communication (NFC), and quick response (QR) codes can bridge the physical and digital gap by launching a website, a video, or an interactive experience.

These can be powerful ways of sparking product discovery and drawing consumers into the digital ecosystem of a particular brand. So what are these technologies and how do they work?

• **Augmented reality.** Enhancing direct mail by overlaying a computer-generated 3-D image over a still image, AR allows the user to have an enriched viewing experience. It also converges print and video marketing. For example, marketing fliers can be designed with trigger images that, when scanned by an AR-enabled device using image recognition, activate a video version of the promotional material.

• **QR codes.** A QR code is a type of graphic-based barcode used to provide easy, digital access to information (e.g., URLs, product information, etc.) through a smartphone application. It provides a quick and efficient way to connect tangible mail to digital technology.

• **Near-field communication.** NFC can be a powerful tool in direct mail marketing campaigns. In 2014, 28 million consumers using NFC technology accounted for \$5 billion in transaction value, according to mobile technology company Unitag. NFC enables the exchange of information between mobile devices and short-range wireless microchips. It opens a digital portal leading to more engaging and productive online consumer experiences.

As effective as these technologies have been in weaving the digital and physical together, newer technologies are on hand to augment the experience even further.

MAIL, IN REAL TIME

Real-time delivery scans with notifications sent within a few minutes are becoming the norm. On the horizon, a new type of tech-based service called Informed Delivery from USPS will give consumers and marketers an even deeper level of insight on mail delivery. The same way consumers now check their email inbox, social media, and news apps, they will be able to actually see the front of most mail pieces coming to their physical mailbox before they arrive.

What does this mean for marketers? Since a digital preview of the front of each direct mail piece can be seen by email or through an app, Informed Delivery service will elevate the role of mail in the everyday consumer mobile experience and help build extra anticipation. Informed Delivery service is poised to completely transform the way people interact with their mail on a daily basis. It has the potential to modernize mail for a new generation.

Informed Delivery, which is currently in Beta testing, responds to the consumer obsession with data tracking — from fitness and health data to calorie counting, sleep patterns, taxi rides, and, of course, package delivery. Marketers will need to be equally obsessed with data in order to see results. But, far too often, big data is

Can You Feel It?

Technology innovations that are helping direct mail stand out.

Formats

From interactive print to 3-D pieces, innovative mail formats push the limits of paper to command attention. An unusual or unexpected format can deliver a message wrapped in an unforgettable experience.

Textures

Advanced, technology-powered printing techniques can now empower mail with lifelike textures that enhance the experience through the human touch. Varnishes, coatings, and inks help capture the full attention of customers at that first moment of consideration. — C.K.

either overwhelming or inaccessible. This challenge has given rise to data visualization, also called intelligent analytics, which delivers smart, timely, and relevant information in a digestible format. Visualized data helps marketers to better target and connect to an intended audience, to reach the right people with the right message at the right time, and to amplify and strengthen messaging by coordinating direct mail with other channels. Last but not least, it provides deeper tracking to help maximize marketing investments.

Big data, used properly, can help make a massive marketing effort feel personal and unique for each consumer it reaches, and if customers receive a piece of mail that is highly relevant to their interests, they're going to value it more. It all comes down to leveraging the data. Harnessing robust analytics and customer behavioral insights allows marketers to generate highly personalized digital content.

Brands that use these customer insights to their advantage will be better poised to create consistent, personalized brand experiences for customers, helping to build recognition and loyalty.

WHEN SOCIAL LISTENING AND DIRECT MAIL COLLIDE

While businesses may gain followers on social media, it doesn't mean they are engaged customers. Direct mail can serve as a catalyst, not only to drive consumers to social media, but to interact with a brand and motivate action. By delivering highly relevant content, marketers are better positioned to grab consumer attention and motivate followers to become active participants.

Giving print a digital dimension creates a positive market disrupter that can help brands rise above the clutter and leave lasting impressions. Direct mail is more powerful than ever because it thrives on automation, and because it delivers deeper insight based on customer

relationship management (CRM) data. Direct mail doesn't just bring consumers to digital experiences, it draws knowledge from those experiences that can initiate action and inform future marketing efforts. This allows businesses to tailor messages based on actual customer behavior, which is critical when trying to stand out in a highly saturated digital world where everyone is vying for consumer attention.

To cut through the noise, marketers need to span media channels for maximum reach and impact. An omnichannel marketing approach helps businesses connect with customers across physical and digital outlets — so they don't miss out on opportunities. Direct mail can play a critical role at the center of that omnichannel approach.

DELIVERING ON DIRECT MAIL'S POTENTIAL

While marketers clamor for attention, consumers are ignoring display ads, installing mobile ad-blocking apps, and not opening the majority of promotional emails. In this environment, the direct mail experience stands out.

As illustrated, mail can initiate connections to digital experiences that drive results. It can be targeted, behaviorally driven, and personalized, and it can integrate with web, video, social media, and live web events seamlessly. Marketers can draw insights from CRM databases and such digital behavior as search, social media, and content consumption, to optimize deeply relevant direct mail strategies.

As marketers seek to reach tech-savvy consumers by bridging the physical and digital worlds, technology-powered direct mail will secure its place as an integral part of a powerful marketing strategy — now and in the future. ■

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