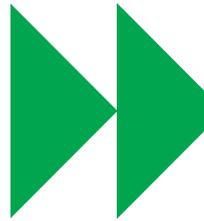




# FORWARD



DRIVING INDUSTRY THOUGHT LEADERSHIP FOR MARKETERS

## VOLUME 1

CONTENT BY



Measuring the effectiveness of marketing activities remains a top challenge for marketers. According to HubSpot's "The State of Inbound 2016" report, 43 percent of marketers say proving the ROI of their marketing activities is a challenge. Understanding the effectiveness of each channel, campaign, and content piece is critical to marketing success, yet the rapid growth of channels in this digital age makes knowing the right mix to be successful that much harder. In this issue of *Forward*, the United States Postal Service looks at how merging digital and print marketing can boost ROI, increase consumer engagement across multiple forms of media, and improve marketing accountability. The article also talks about a new mail innovation called Informed Delivery notifications, which are poised to give marketers more touchpoints and more impressions.

— CHRISTOPHER KARPENKO

*Executive Director of Brand Marketing, United States Postal Service*



# AT THE CROSSROADS OF DIGITAL AND PHYSICAL MARKETING

ELEVATING MAIL IN THE EVERYDAY CONSUMER EXPERIENCE **BY CHRISTOPHER KARPENKO**

Print, digital, or both? Offline or online? Mobile optimized, website banners, or social media? Choosing the right media mix for the right audience is the new gold standard for marketing success. With so many options it can be difficult for marketers to discern which channels and which forms of media are going to be the most effective — and how to combine them for optimum results.

With campaigns spanning multiple channels, it can be challenging to establish direct links between marketing activities and results in order to attribute which lead or sale came from which channel.

What many marketers don't realize is that combining mail and digital channels is one of the most effective ways to track and measure results. Together, print and digital can deliver analytics that marketers can use to understand who their customers are and what motivates them to take action. Ultimately, this ability can help marketers create more personalized brand experiences — the benchmark for engaging customers. →

## BRIDGING THE GAP

Mail continues to evolve. Today's mail is technologically savvy and relevant, yet it keeps consumers engaged with its real-world tangibility. This unique ability to connect the physical and digital worlds is why direct mail remains a key player in marketing.

Still, many marketers treat mail and digital as channels that are entirely independent of each other. In fact, they deliver greater results when their forces are combined. According to the Canada Post's study "Connecting for Action," integrated campaigns that combine direct mail with digital media attract 39 percent more attention than campaigns that rely on a single medium. This is one of many studies showing the benefit of combining mail and digital.

Innovative neuromarketing studies are also proving the power of this dynamic duo by measuring the effects of digital and physical media on consumers. Neuromarketing is poised to help take the guesswork out of what drives consumer behavior. "Now we have a science behind advertising that meshes and converges with the art of it and just makes it so much more effective," Elissa Moses, CEO and head of the Ipsos Neuroscience and Emotion Centre of Excellence, said in a recent interview for the video series "Cup of Jo." "[Neuromarketing] makes it much more exciting to do media planning because you're armed with information."

Simply put, neuromarketing is the application of neuroscience to marketing; the cutting-edge research draws on tools like brain imaging to shed light on marketing phenomena by studying how consumers react to different media. This is an important step in helping marketers understand their audience and reducing the complexity of managing integrated marketing communications.

## TWO NEUROMARKETING STUDIES THAT COULD CHANGE THE MARKETING WORLD

Using a combination of neurophysiological and traditional methods, the recent Temple University and U.S. Postal Service (USPS) Office of Inspector General study "Tuned In: The Brain's Response to Ad Sequencing" sought to explore which medium — physical mail or digital advertising — is more effective when used in cross-media marketing campaigns and how best to integrate direct mail with email to engage customers.

One of the most significant results from the study is consumers' "willingness to pay" was significantly higher when media was delivered across both digital and physical channels rather than a single channel. These findings can help marketers make a strong case for integrating physical mail with digital in their marketing.

A separate study, "A Bias for Action: The Neuroscience Behind the Response-Driving Power of Direct Mail" by the Canada Post and the neuromarketing research and strategy firm True Impact Marketing, sought to quantify the effectiveness of physical (direct mail) and digital (email and display) media by way of their impact on consumers' brains.

The study focused on the two key indicators of media effectiveness: ease of understanding and persuasiveness. It examined brain

imaging metrics corresponding with each aspect — "cognitive load" for ease of understanding and "motivation" for persuasiveness.

The findings indicate that while the digital space provides essential platforms for customer interaction, physical media is better suited to close the marketing-sales loop. The key takeaway for marketers is that combining mail with digital harnesses the best of both worlds to close the gap between interaction and action.

## MERGING THE MAILBOX WITH THE INBOX

Email has become an integral part of modern communication. However, as the above studies show, that doesn't change the fact that physical mail still remains a vital communication channel. Merging the two is the next step for mail. Soon, consumers will be able to connect to their physical mail via their email.

Rolling out across the U.S. this year, Informed Delivery notifications from USPS are poised to elevate the role of mail in the everyday consumer's digital experience. In an age when consumers want to take data into their own hands — tracking everything from personal fitness progress to package deliveries — this new technology will give consumers key information about their everyday mail, so they know what is coming and when.

In the same way people check content on social media, news apps, and emails every day, they will also be able to see what's arriving in their physical mailbox before it gets there. Every morning, Informed Delivery users will receive an email that captures a grayscale image of the address side of their mail, so they can see who the sender is and to whom the piece is addressed. A desktop dashboard is also available. Currently, the preview provides images for letter-sized mailings that are processed through automated equipment. Flat-sized mailings, such as magazines and catalogues can be displayed if the mailer supplies a color image to be included in the Informed Delivery notifications.

These days, most consumers have a daily, technology-enabled routine. The objective of Informed Delivery notifications is to make mail part of that routine with a daily digital notification. The Informed Delivery offering has already been piloted in multiple markets. According to a follow-up survey of 6,300 participants conducted early this year, participants are embracing the program. In fact, 92 percent of users polled in the survey were satisfied or very satisfied. "It's both informative and fun to preview what's coming in the mail every day," said one respondent. "It lets me know when to expect something and gives me peace of mind that important mail will be delivered."

## WHAT WILL INFORMED DELIVERY NOTIFICATIONS MEAN FOR MARKETERS?

Informed Delivery provides three potential touches and twice the impact. Each mailpiece will be seen in advance by consumers via email or an app and then again, physically, once it arrives in the mail. With Informed Delivery notifications, marketers will have the option to include a unique URL in the digital preview of their

mailpiece, giving the consumer the opportunity to click through to the sender's website. This will allow marketers to track visits and conversions that come directly from this digital touchpoint.

Viewing an offer from a favorite retailer in the email preview can help create anticipation, motivating the recipient to interact with the physical mailpiece when they get home. "You can see what mail has arrived and decide if you need to take an action (e.g., deposit a check), or have something to look forward to when you get home," said one survey respondent. It also means a new level of tracking and attribution opportunity.

When marketers participate in the program, the ride-along banner content featured next to their mailpiece will contain a digital tag that gives marketers aggregate data at the five-digit zip code level, showing what percentage of Informed Delivery users opened the preview. If they also include a unique HTML link to their website, they will be able to attribute click-through directly to the digital preview. Broader open rate information will also be provided. For example, if the Informed Delivery notifications email is delivered to 1.5 million people, the marketer will be able to see what percent of recipients open it. Ultimately, this means greater awareness, more impressions, and deeper visibility. Jim Cochrane, CMO at USPS explains: "What we can do is measure when recipients engage with Informed Delivery and then when they go to a site or convert. This is going to do a lot for the attribution issue."

## ENGAGING CONSUMERS ON THEIR OWN TERMS

Today's consumers want to choose when and where they engage with marketing. Informed Delivery notifications help marketers meet this demand by giving consumers the power to see and interact with their mail at their convenience — across town or across the globe. As one surveyed user stated: "Informed Delivery is essential — you need to know what's arriving when you are traveling." In fact, 88 percent of polled users check their Informed Delivery notifications most every day (four to five times per week or more). Giving recipients the ability to view a marketing piece on their own terms can help make them more receptive and engaged.

What makes Informed Delivery a valuable vehicle for marketers is that it's another way to connect online and offline marketing strategies. Among polled Informed Delivery users, 68 percent said they respond to or act on digital promotions or discounts from emails or online ads at least once a month; 58 percent said they act just as frequently to promotions by mail, including coupons and catalogs. With the ability to make the digital preview ride-along

image a link to the brand's website, marketers can create yet another opportunity to engage the consumer.

As Canada Post states in its "Bias for Action" study, "Shoppers are moving fluidly across on- and offline channels throughout the purchase journey — using information gathered in one to inform decisions in the other — and brands are finding that business success increases significantly when these two worlds connect and feed each other seamlessly. They're realigning their marketing mix to this new omnichannel purchase journey — and they're redefining the role and function that each on- and offline channel plays in the mix of customer interactions."

**The key takeaway for marketers is that combining mail with digital harnesses the best of both worlds to close the gap between interaction and action.**

## WHY THE FUTURE OF MARKETING LIES AT THE CROSSROADS OF PHYSICAL AND DIGITAL

With increasing pressure to track the effectiveness of marketing campaigns and channels, attribution is gaining momentum. According to the Warc blog, "Communications have traditionally been measured by qualitative means; including variables like the business's share of voice within the industry, the number of visits to the corporate website, click-through rates, and impressions. Whilst [sic] these are legitimate aspects of the marketer's toolbox, their importance rarely translates to the C-suite where executives speak in terms of financial return on investment.

Therefore, attribution models provide marketers with a tool to assist in justifying their activities and budget in terms that can be clearly understood and appreciated by the decision makers of the organization."

In addition to providing marketers with more insights about consumers, the technology behind Informed Delivery notifications supports attribution. When a subscriber clicks on a link in the preview email, the response is attributed to that channel. This feature lets marketers know where the lead came from, so they can make more informed choices.

The ability to measure the impact of different marketing media and their effect on engagement is already helping shape the future of marketing.

As the findings in the neuromarketing studies show, the physicality of direct mail plays a powerful role in a connected marketing world. The Informed Delivery offering is a new player in this cross-channel digital evolution. With its unique ability to bridge the gap between the physical and digital worlds, it stands to elevate the brand experience in ways that single-channel marketing simply cannot. Moving forward, brands that capitalize on the best of both media to drive customer engagement will be better positioned to successfully navigate this ever-evolving marketing environment.

# If it's in their mail, it's in their email.

## Introducing Informed Delivery® notifications from USPS

### More touch points. More impressions. More impact.

This is the value of Informed Delivery® notifications for marketers.

Your customers are connected everywhere, and now, so is your direct mail. Informed Delivery notifications can let customers see and act on your mailer—in their email—before they check their mailbox. From a single mailer, you now get both digital and physical impressions. What does this mean? More connections. More opportunities.

To find out more, go to [usps.com/more](https://usps.com/more).



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