

CHOOSING A DIRECT MAIL RETARGETING PARTNER

POSTCARDS SENT DAILY TO UNKNOWN
WEBSITE VISITORS WORK WELL. THAT'S
WHY IT'S THE **FASTEST** GROWING FORM
OF ADVERTISING TODAY!



NAVISTONE®

REVENUE AND CUSTOMER GENERATION

Revenue and customers generated by different partners vary significantly. This may seem counterintuitive. They are all mailing postcards to people who visit your site. Why should there be any difference?

Unlike other forms of marketing, there is not a common feature set used in the industry. Two potential partners can execute direct mail retargeting very differently in ways that significantly impact performance. Here are the **seven** elements that distinguish these approaches...

1.

THE SOURCE OF POSTAL ADDRESS DATA

The backbone of any direct mail retargeting program is the linkage between a device browsing a website and a postal address. This linkage is often called an Identity Graph. Postal address linkage can cost as little as 5¢ a record.

Many low cost providers create this linkage using stale data; IP addresses, email address, hashes, etc. get out of date quickly.

High quality identity data costs between 10¢-20¢ per record, depending on quantity. The best remarketing partners use multiple data sources, not just one. Why do you care? If the address you're sending to is no longer associated with the device browsing your website, response rate and effectiveness will suffer significantly.

2. MODELING

Many retargeting partners do not score website browsers in terms of likelihood to buy. 50-70% of browsers just aren't engaged enough to justify sending direct mail. As postage costs have increased, making sure that someone is truly "in market" has become more important. Ask a potential partner to show you visitor counts by score ranges/segments. If they can't, then they are not modeling.

3. PERSONALIZATION

You can boost response rate 30%+ by matching the message shown on a postcard to the category of product/service a visitor browsed. For example, if a visitor browsed a wine country vacation, show a picture of people in a vineyard with a glass of wine in hand. Ask potential suppliers to show you data on the lift their clients experience with personalization and the number of versions a remarketing campaign typically offers.



4.

IDENTIFY EXISTING CUSTOMERS

The visitors on your website are a mix of existing customers and new prospects. Existing customers will respond better than prospects, so you can mail a higher percentage of the customers you identify, optimizing your return. The ability to differentiate between customers and prospects also allows you to present each group with different offers.

5.

HOLDOUT TEST

In all forms of advertising, nothing is 100% incremental. A holdout test means that you're NOT going to mail some people who visited your website. This will tell you how much business you would have gotten from consumers naturally returning to your website on their own or as a result of other marketing you do. Every program in your marketing mix must add incremental sales in order for you to grow.

6.

PEOPLE/SUPPORT

Some postal retargeting partners offer little or no support, either strategic or tactical. You will typically get a lower price in this situation, but you are also solely responsible for strategic direction and execution. Meet the team that you'll work with at any potential partner. Ask them for ideas and, more importantly, for references. A great support team can return much more than a few cents of cost.

7.

SUCCESS METRIC ORIENTATION

Ask a retargeting supplier to share their ROAS/CAC averages in your industry/vertical. If they can't do so, or say that they don't know clients results, it indicates that they aren't able to optimize your results. It's just as important for your partner to track success metrics as it is for you. Best practice is to agree with your partner what success metrics looks like before you begin.

COST

First class postage for a 6x9 inch postcard, the most common retargeting form factor, is 40¢ to 43¢ per piece as of July 2024. Postage costs have been reset every six months by the Post Office, always going up. The post office provides discounts that generally reduce cost when more pieces of mail are sent daily. They also offer **incentives** at a few points during the year specifically for retargeting direct mail.

Digital printing, which allows you to personalize the mail sent based on elements like the type of product a visitor browsed or where they live, costs between 9¢ and 15¢ a piece for 6x9 inch postcard. Prices can be higher when you are mailing smaller daily quantities.

There are **three** ways to reduce cost, however all cause a significant reduction in the revenue a retargeting campaign generates.

1. Send retargeting mail once or twice a week rather than daily. This will lower cost by providing greater quantities per mailing. However, every day of delay between a customer's website visit and receipt of the postcard reduces response by about 5%. You could shave 5 cents per piece of cost, but reduce revenue by a dollar or more. You'll lower return on ad spend by making this trade, and reduce the total impact your retargeting program.

2. Send every website visitor the same piece of mail. You'll save a few pennies on printing if you don't personalize, but as you'll saw above, it will cost you 30+% in revenue and new customers.



3. Use standard mail postage rather than first class. You can save 5 cents per piece, but will lose on two fronts:

- Mail will arrive 3-7 days later (resulting in a 15+% decline in response rate).
- The deliverability rate is lower for standard mail, meaning that fewer of the pieces of mail you send (and pay for) will reach your prospect.

Lower-priced direct mail retargeting partners may save you 35%, but focusing solely on cost won't optimize your marketing. Revenue and new customers can **vary by 300%** across partners, so consider the full impact—3x more revenue or customers can make a big difference!