The 2023 Marketing Playbook

TURNING THIS YEAR'S TOP 4 CHALLENGES
INTO OPPORTUNITIES

NAVISTONE

ABOUT **NAVI**STONE

NaviStone's marketing technology platform allows brands to acquire new customers by using online intent data and delivering high response personalized direct mail within 24 hours. We are the proud inventors of a revolutionary marketing channel, Digitally Powered Direct Mail.

As marketers experience major disruptions to digital programs including loss of third-party cookies, ad blockers and Apple IOS changes, brands are looking for new ways to reconnect. At NaviStone, we turn bits and bytes from the digital world into tangible marketing with ink and paper. The result? A marketing product that helps brands grow their business and makes their customers smile.

We understand the importance of privacy in this day and age. NaviStone;s approach and secure technology ensure consumer privacy every step along the way.

We're proud to call Cincinnati, Ohio our home with our headquarters located in Over-the-Rhine.

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At NaviStone, we understand the pressure marketers and agencies are under. From the whiplash incurred by the pandemic to technology and privacy changes, we know that marketers need better, high-performing solutions. That is why we have identified some of the top challenges marketers face as they head into 2023 and have provided a playbook on how to turn these challenges into opportunities.

CHALLENGE #1:
CUSTOMER ACQUISITION

Opportunity: Maximize your Website Traffic by Converting Browsers into New Customers

Gaining additional customers is good for the bottom line but attracting new customers can be costly. In an economy that is facing high inflation, new customers may be hesitant to transact with a new brand. These consumers may be visiting your website and showing interest in the brand, but unable to pull the trigger and spend their hard-earned dollars with someone they don't know.

CHALLENGE #1:
CUSTOMER ACQUISITION

Identify and Interpret Intent from Browsers Who Leave Your Site Without Buying

The best marketers give their audience exactly what they want - not because they're mind readers - but because they pick up on the actions of their brand advocates and use them to better understand how to communicate with new prospects. And the secret to accomplishing this is found in understanding the intent of your audience as they move through their path to purchase.

Let's start with the signs of buying intent, because, after all, customer acquisition only works when you're targeting the right people who are sending real purchasing signals. You'll want to look for clear buying signals, and while these might vary between platforms and industries, they'll show a clear indication that a consumer has definite interest in what you offer. An item left in a shopping cart, a completed online form requesting additional information, a visit to a page about shipping rates, these actions exhibit signs that the consumer is seriously contemplating a purchase. The ability to spot intent will enable you to grow your business through net new customers.

CHALLENGE #1:
CUSTOMER ACQUISITION

Applying Remarketing to Improve Customer Acquisition

Tools exist today, such as **Digitally Powered Direct Mail,** that allow marketers to uncover new prospects, who are visiting their website, and remarket to them via the highly responsive channel of direct mail. Brands across multiple industries are seeing strong performance when using **Digitally Powered Direct Mail** for customer acquisition. Don't just take our word for it, check out the proof below!

SOLUTIONS AT WORK
Success by category

Accessories
$639 average AOV
18.4 ROAS
2.18% Response Rate

Apparel
$155 average AOV
14.2 ROAS
6.98% Response Rate

Food
$126 average AOV
9.4 ROAS
5.68% Response Rate

Automotive
$209 average AOV
10.7 ROAS
3.90% Response Rate

Health & Beauty
$154 average AOV
5.9 ROAS
2.92% Response Rate

Home & Gardening
$304 average AOV
16.1 ROAS
4.04% Response Rate

General Merchandise
$158 average AOV
12.4 ROAS
5.97% Response Rate

Outdoor
$158 average AOV
11.0 ROAS
5.30% Response Rate

Travel & Hospitality
$4,335 average AOV
33.6 ROAS
0.59% Response Rate

Opportunity: The Privacy Checklist

When has consumer privacy ever been more at the forefront than it is today? Between the ability to post information as fact across social networks, increasing occurrences of identity theft and data breaches, consumer privacy and the protection of it has never been more topical.

Data has become the DNA for how marketers build campaigns and meaningful consumer experiences, but for consumers it has become a dreaded four-letter word. In marketing, data is currency, and marketers and technology professionals can begin to not only shift the perception about data and privacy, but more importantly, prove the value within that exchange.

As chatter about the impending loss of the third-party cookie heats up, marketers plan to increase their use of first party data. The data driven consumer experience is too valuable to let go of.

MARKETING IN AN AGE OF DATA AND PRIVACY

Regulations like General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) are in place for the sole purpose of protecting all non-anonymized personally identifiable information (PII) and further curbing data misuse. Organizations that store or process personal information about "natural persons" (individual human beings) who are "data subjects" under GDPR — defined as European citizens who reside in an EU state — must comply. If you process data about individuals in the context of selling goods or services to European citizens in any EU country, then you need to comply with GDPR.

Compliance includes appropriately securing personal data and allowing individuals to access, correct and even erase their personal data. As quoted within GDPR, "Where personal data are processed for the purposes of direct marketing, the data subject should have the right to object to such processing, including profiling regarding initial or further processing, at any time and free of charge. That right should be explicitly brought to the attention of the data subject and presented clearly and separately from any other information."

Privacy Checklist

Comply with all applicable legal requirements, including, but not limited to, all international, U.S., and state laws (including those of the State of California)

Disclose fully how visitor data is collected (including JavaScript and cookies, and how they work)

Disclose fully how visitor collected may be combined with other data, including names and addresses from third-party databases, for purposes of advertising

Includes instructions on how to prevent cookies from being placed on the visitor's computer

Provide link to additional information concerning the opting-out-of cookie-based advertising: **NAI Consumer Opt Out** and **Neustar Privacy Center**

Provide direct mail, telephonic, and online opt-out instructions

Provide that usage of website constitutes consent to the terms of the Privacy Policy.

CHALLENGE #3:
THE IMPENDING LOSS OF THIRD-PARTY COOKIES

Opportunity: Prepare for The First Party Cookie

Retargeting is one of the most used strategies in marketing. The ability to remind your customers of your products after they leave your website can be a powerful tool. But how will the loss of third-party cookies impact this way of marketing?

Remarketing is the strategy of serving advertisements to consumers on other websites based on their previous browsing history on your website. It's a powerful way to re-engage customers who have previously interacted online with your brand. (Source: *thebalancesmb.com*)

Remarketing can be broken into four components…audience, content, deliverability, and measurement. Each component of retargeting will be impacted by the impending deprecation of third-party cookies. But how can marketers combat these challenges at each stage?

Audience   **Content**   **Deliverability**   **Measurement**
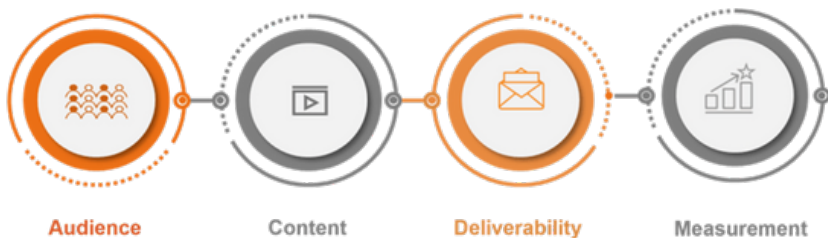
CHALLENGE #3:
THE IMPENDING LOSS OF THIRD-PARTY COOKIES

Audience

With third-party cookies fading into the background, how is our ability to create audiences impacted?

The answer? The tried and true, first party data. First party data is data passively collected from customers through a brand's own properties, such as a website or app.

The benefit to first-party data is that customers implicitly provide consent to this type of first- party data collection as they visit and engage with your website. (source: mparticle)

With the departure of third-party cookies, marketers will be forced to think a little more about audience formation. How and where do they find the right audiences, and how much do they cost.

Content

There is a fear that content will become less personalized due to lack of data availability, either because the consumer opts out of sharing, or because the user can no longer be identified. Ads may shift becoming more targeted based on contextual content vs. user-based data.

There is a belief that consumers will have less relevant experiences when browsing the internet, and advertising touchpoints will likely increase as brands try to accommodate for lower response rates through increased impressions. Enter the first party cookie!

Consumers expect companies to use the data they provide to understand what they want and when they want it, delivered with a personalized message at just the right time. It means delivering relevant, personal experiences and content across sessions, devices, and channels, deployed in real time. It's individualization.

This concept of individualization continues to evolve with the advances of first party data and real-time technologies that allow for computation and interpretation of the data and is driving increases in customer engagement, conversion, and brand loyalty. This relationship-building experience for your customers can be accomplished (if not better) by utilizing the first-party cookie to understand your website visitor's personalized buyer's journey and then building the relevant content they expect around that data.

Deliverability

In terms of potential changes to the deliverability of advertising, marketers should expect a shift back to first- party channels where the user is known (i.e. direct mail).

There is a perception that direct mail is "old school" and expensive, but the response rates still outperform an untargeted display ad in most cases. In fact, email averages a 0.12% response rate and display ads average a 0.3% response rate, while direct mail averages a 4.4% response rate. Brands are going to shift to channels that deliver high response rates, and direct mail is one of the best channels for this.

The economics of direct mail generally tend to prove out, with performance more than offsetting the cost (thus, its survival as a channel still today). So, the market for the direct mail solutions remains vibrant. **(more on this channel in the next section!)**

4.4%

**Response Rate
With Direct Mail**

CHALLENGE #3:
THE IMPENDING LOSS OF THIRD-PARTY COOKIES

Measurement

There is more pressure than ever on marketers to prove the value of the campaigns they are running. The third-party cookie provided a unique trail for marketers to follow, allowing for insights into attribution and optimization. What happens to this now?

With increased marketing spend, or even a greater expectation from less marketing spend, we have to be able to measure. And measurement is likely the biggest thing impacted by the loss of third-party cookies.

We are at a fork in the road and there are two distinct options for measurement without third-party cookies:

1. Large content creators/publishers create their own IDs and that results in a lot of walled gardens which means marketers are not able to track results across their spend and measurement becomes an even bigger challenge and consumers aren't happy because they are getting less relevant (and more frequent) ads that are repetitive across all channels

2. Marketers (and consumers) vote with their wallets and demand the industry solve for this in a standardized way. This means a move to standardized IDs like we use with mobile, and it will probably function similar to the 3rd party cookie, but better with more consumer controls.

Marketers and data providers should also be open to the idea that there's a 3rd or 4th option that hasn't yet been imagined or emerged. If you like innovation, then that should be **exciting, not scary!**

RETARGETING *WITHOUT* 3P COOKIES
Tomorrow is here today

Use **1st Party Cookie** to collect online site visitors & browsing Data (First Party Data)

Segment, model and score **targeted Audiences**

Personalize content for each targeting audience

Create individualized direct mail **Mail 1st class** within 24 hours of visit Reach browsers with highest likelihood to respond via Direct Mail

Measure Performance from both online and offline channels

CHALLENGE #4:
LOOKING FOR NEW WAYS TO STAND OUT?

Opportunity: TRY CHANGING THE CHANNEL WITH DIGITALLY POWERED DIRECT MAIL

As marketers experience major disruptions to digital programs including the loss of third-party cookies, ad blockers and Apple IOS changes, brands are looking for new ways to reconnect.

Reaching your consumers after they have already visited your website through remarketing helps keep your brand in front of bounced traffic. The fact is, only **4% of website traffic converts**. When you implement the practice of remarketing, you are staying top of mind by reminding your site visitors of your products and solutions. This can be done via display, email and direct mail. Let's compare how each channel measures up when it comes to some of the core components of marketing.

The truth is in the numbers. Direct Mail outperforms display and email across all critical categories of performance. If you aren't remarketing via direct mail, you are missing the boat!

CHALLENGE #4:
LOOKING FOR NEW WAYS TO STAND OUT?

@	VS.	display	VS.	✉

Competition

Roughly **270B emails** are sent out each day, including businesses marketing to customers and prospects.	Consumers see **63 display ads** per person, per day. With most companies retargeting online, consumers have become accustomed to ignoring display ads altogether.	You are the **only one** who can send a personalized postcard to **your** website visitors.

Viewability

With 107 emails received per person, per day, the message is often **lost in the inbox noise** and ends up in the digital trash.	**50% of display ads fall below the fold**, often costing twice the amount intended and a decrease in viewability.	Viewability is near **90% for direct mail**, with 2 pieces of mail received per person, per day.

Lifecycle Stage

With email retargeting the **timing element can be missed** and the message isn't received when the consumer is ready to buy.	Digital retargeting often targets people who put items in the shopping cart, **missing site visitors who are just beginning their research.**	Retargeted postcards can be sent only to consumers who have **demonstrated their stage through their engagement** with your website.

Perception

Email is often considered **quick, informal and oversaturated** by recipients.	The automatic nature of following a consumer from site to site can **irritate online users and create a negative perception** about the brand.	Direct Mail is considered **trusted and personal** with 59% of US respondents surveyed saying they enjoy getting mail from brands about new products.

Reach

The average user **has 8 email addresses.** Reaching them in the right email inbox can be tricky.	With the popularity of **pop up blockers and upcoming third party cookie regulations**, reaching consumers via display retargeting is becoming increasingly more difficult.	Direct Mail retargeting offers **1:1 messaging delivered directly** to the home address of your website visitors - no SPAM folders or cookie blocking.

Win-Back

57% of email addresses are abandoned because the users receive too many marketing emails. This, combined with high opt-out rates, makes it difficult to reach that customer or prospect.	**Opt-outs and ad blocking tools prevent advertisers from reaching consumers** online via digital retargeting, decreasing the chance to win back lapsed customers and prospect new ones.	Direct Mail retargeting **offers 1:1 messaging delivered directly to the home address of your website visitors** - no SPAM folders or cookie blocking.

Performance

Email averages a **0.12%** response rate.	Display ads average a response rate of **0.3%.**	Direct Mail averages a **4.4%** response rate.

Conclusion

The New Year Is Filled with New Opportunity

Marketing is an ever-changing field of practice. Navigating the waters can be challenging, but with every new year comes new opportunity.

It's critical to stay ahead of curve and maintain focus on the customer. What do they want? What behaviors or digital footprint are they leaving behind? How can you better maintain their privacy? How can you reach them at home?

At the end of the day, it's all about the consumer experience!