



# NAVISTONE®



## **The Future of Direct Mail Circulation:** How to Tap Into Buyer Intent to Improve Your Planning Effectiveness

[www.navistone.com](http://www.navistone.com)



## About NAVISTONE®

Traditional direct marketing contact strategies are driven entirely by past purchase behavior. As that data ages, it becomes less predictive of future responsiveness. At **NaviStone®**, we lead the vanguard in progressive website visitor tracking technology. Our proven approach to customer acquisition and reactivation allows retailers and eCommerce businesses to create a list of unique, engaged website visitors to include in direct marketing campaigns.

Our technology adds the power of intent — digital browsing behavior, to traditional transaction history to improve your direct marketing program productivity and reach. We also identify new prospects who have “raised their hand” by visiting your website to learn about your products and services.

Additionally, with our progressive approach, retailers gain the ability to enhance traditional transaction history by providing recent digital browsing behavior as a new planning variable. This additional intelligence allows retail marketers to:

- ▶ Identify quality candidates for reactivation who would not have been mailed using only traditional RFM variables.
- ▶ Reduce circulation to customers in marginal house file segments by suppressing mailings to those who have not recently browsed your website.
- ▶ Identify active buyers who may be less catalog focused, and thus candidates for reduced mailing frequency.

Our technology at **NaviStone®** also adds an exciting new source of prospect names for your direct marketing business. Traditional database cooperatives rely on transaction history from “similar” businesses to identify prospects — at **NaviStone®** we provide prospects based on their visits to your company’s website!

We provide strong support to outbound telesales teams by identifying a receptive audience based on recent website browsing activity. Your outbound sales team will be significantly more productive when calling customers and prospects who have been active on your website.

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### Additional Resources

[\*Case Study: NaviStone® Helps Touch of Class Reach Out to Web Browsers via Direct Mail\*](#)  
[\*Case Study: DHC USA Dramatically Boosts Reactivation Results with NaviStone®\*](#)



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## Introduction

It's fair to say that direct mail has seen its share of challenges over the years. The industry faced a serious onslaught during the digital marketing revolution, but direct mail has proven itself to be a resilient, reliable and effective form of advertising.

But the marketing world is being shaken up once again, because the modern path to purchase is no longer linear. With so many channels available for customers to connect with your company, it's essential to continually re-evaluate marketing and advertising efforts. But where do you begin? How do you balance traditional direct mail circulation best practices with the wealth of information available at your fingertips with website browsing data? How can you evolve your circulation plans with these new insights? The key is in knowing your customer and how they interact with your company. To do that, it's important to understand where direct mail circulation is now and where it's headed.



## Where Direct Mail Circulation Stands Today

Rumors of direct mail's demise in the face of online marketing has always been greatly exaggerated. In fact, direct mail might be more powerful than ever before. [79 percent of consumers](#) say they act on direct mail immediately (versus 45% for email), and the 2015 Direct Marketing Association Fact Book shows the average number of mailings received by each household has [decreased by nearly 30 percent](#) between 2008 and 2013. With less competition in the average mailbox, it's easier to make an impact on your customers and prospects. And digital marketers have taken notice. Traditional online retailers such as Wayfair, Birchbox and Bonobos have all recently launched catalogs.

While there's a lot to be excited about regarding the future of direct mail circulation, there are potential landmines ahead which cannot be ignored. Having survived the advent of digital marketing, direct mail is at a crossroads. Direct mail circulation directors face challenges as they strive to reach revenue goals, acquire new customers and demonstrate an ROI that supports their budgets.

### Challenges Direct Mail Circulation Directors Face Today

#### **Attribution Wars**

Marketing has become much more informed over the years, and more and more companies have begun to understand the value of the information that can be derived from each and every interaction with consumers, whether it's a purchase, social media response or customer feedback. In many ways, this is a positive development that will help each company better understand its customer base. But it also creates complex challenges in understanding how spending on various media impacts the consumer purchase process.

Behind every sale is a team of marketers that contributes to the transaction. Direct mail works alongside email, paid search, SEO, social media marketing and all of the various other programs in your marketing mix. However, once a purchase is made from the company's website, it is almost impossible to determine how much influence each of these marketing programs had on that transaction. So the attribution wars begin, as marketing team members spend valuable time (and money) trying to demonstrate that their marketing channel was truly responsible for the sale.

No matter how sophisticated your order attribution solution might be, it is always based on assumptions

that are biased toward the CEO or CMO's channel of choice. If your company's senior management views direct mail only from a cost standpoint, it is likely that the attribution system will be biased toward less expensive digital programs. And the organization will get the [wrong idea of what's really working](#). The departments that are erroneously considered to be underperforming will get the short end of the stick on next year's budget, creating a major dilemma that can derail the effectiveness of the company's entire marketing plan.

In the future, companies will understand that marketing is a team effort, and that the most effective marketing departments are organized around consumer-focused groups, not marketing channels. The measurement of contact strategies over time will replace event-based attribution systems to determine the optimal marketing mix. However, in today's world where every decision has to be tied back to ROI and the channel that "made the sale," such a future can be hard to imagine — especially if print and digital are continually pitted against each other rather than seeing how they are the right and left hand of your marketing body.

## ***Prospecting Lists and Lapsed Customer Lists***

One potential way to increase response rates — and to further prove the effectiveness of direct mail — would be to reach out to new prospects, particularly people who haven't already ignored your catalogs or offers dozens of times in the past.

Of course, finding truly incremental names isn't easy. Identifying just the right people who would be likely to respond is a challenge faced by all direct mail circulation directors. After all, reaching out to the wrong customers or prospects can be quite costly in terms of both time and money. It's critical to not only get the right names but also names that haven't been mailed to death by competitors.

Re-engaging lapsed customers is another vital component of successful direct mail circulation plans. However, if done poorly, this can be viewed as throwing money down the well and wishing for success, since there is no proof these lapsed customers will be worth the investment of another mail piece. The value and insight gained from past purchases only goes so far, but the spread of digital data-based marketing may help identify lapsed buyers who could still be browsing your website, so you can offer a solution that fits their needs and/or desires.

## ***Vendor Solutions***

Working with vendors is a necessary part of delivering direct mail to customers and prospects. List brokers, database cooperatives, printers, letter shops, design

teams, postal carriers and so many others provide a backbone for direct mail circulation. But finding the right vendors for each task is overwhelming in an age where technological advances allow new choices to pop up every day. And in the case of third-party database cooperatives, you, and countless others, are using the same information and lists to reach your audiences. It's difficult to make any progress if your direct mail is targeting the same customers as everyone else.

## ***Diminishing Resources***

Although today's technology allows for direct mail marketers to do some amazing things, the reality is that the really good stuff is hard to put into motion. Synonymous with technological advances has been a decrease in the labor force in most direct mail departments. At the same time, the cost of postage is constantly rising, without the increase in budget to offset it. This puts direct mail circulation directors in a situation where you're always being forced to do more with less. And despite these diminishing resources, you're expected to move the needle on your ROI.

It's not an easy world, but these challenges affect people in industries of all shapes and sizes. As a result, the best and brightest are already searching for the most effective and efficient planning and growth strategies available today. Combining new tactics with what already works will help optimize and grow your direct mail program, despite the challenges we all face.







## How Direct Mail Circulation Is Transforming to Keep Up with Today's Buyers

The way marketing is drawn up on paper is a far cry from how it actually functions. It's customary to think of each marketing program as being completely separate from the others. But that's not how things really work. In the real world, customers take a non-linear path through awareness, interest and purchase. And because of the many different channels involved, no two paths are identical.

The truth is, no one area of marketing is responsible for any purchase. Modern-day customers are [approached from many different touchpoints](#) before they even consider buying, let alone actually follow through with making a purchase. What's more, there's pressure on companies to deliver the goods at every one of those touchpoints. An SLD survey states that 60 percent of millennials surveyed [expect all touchpoints to deliver the same customer experience](#). This is dangerous territory for companies who aren't organized across all of their channels. Any disconnect could lead to lost sales, and the company may never truly understand the reason.

### Consumer-Focused Marketing

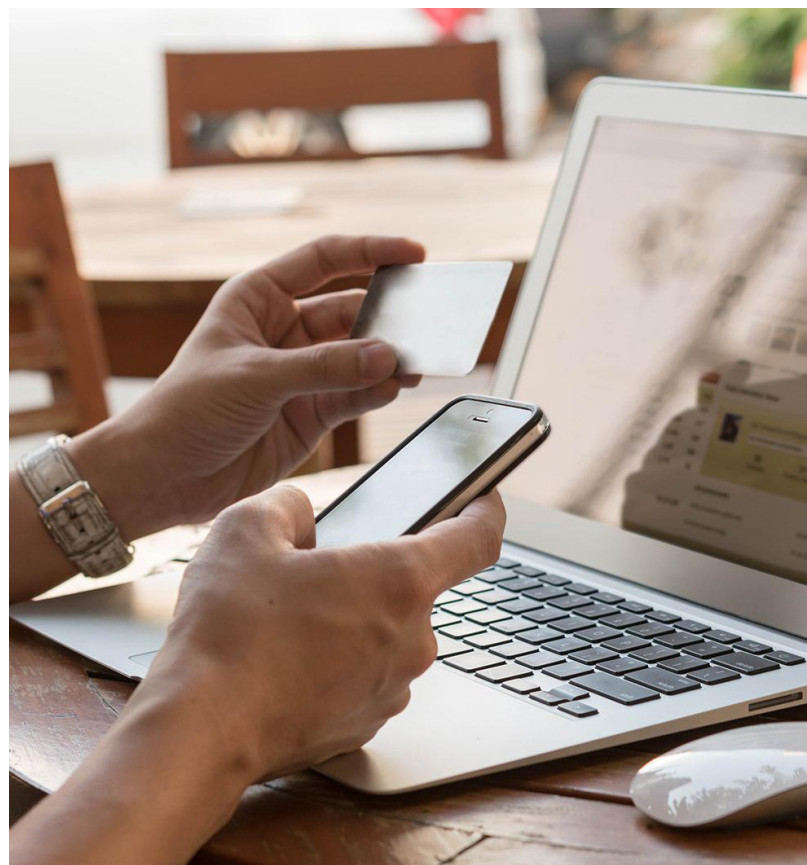
[Consumer-focused marketing](#) is the modern answer to this dilemma. This approach encourages companies to organize their marketing team around various consumer segments (prospects, active customers, lapsed customers, inquiries, etc.), and approach each consumer group with a strategy that crosses multiple channels. This creates a seamless customer experience in stores and online, through email and traditional mail, on postcards and in person.

### Buyer Intent

One perk of aligning your marketing in this way is that you'll be able to clearly see common paths consumers take in their journeys from prospects to paying customers. While it's true that no two customer journeys are completely alike, consumer-focused marketing makes it easier for you to spot trends throughout your marketing efforts. As useful as that is, it just sets the stage for the real value that lies in this approach.

It's one thing to identify how buyers behaved after the fact. It's something else entirely to understand why they behave the way they do. Understanding the intent of your customers and prospects as they navigate through your marketing channels will give you unprecedented insight into the behaviors and

buying tendencies of your audience. That's the real power of intent. By analyzing both past behavior and current intent, you can better predict the future actions of your audience, improving both prospecting and reactivation results.





## The Evolution of Direct Mail Circulation

As the marketing world evolves in this consumer-focused universe, it's up to you to evolve your strategy to take advantage of all the insight you have at your fingertips. Now, this doesn't mean things have to become more difficult. In fact, this approach to marketing can help your effectiveness as a direct marketing circulation professional.

The more you know about your customers and prospects, the better you'll be able to serve them. And as you learn more about the path each customer takes, you'll have the opportunity to influence those individuals at specific decision points. It's no longer about nurturing each consumer down a specific channel path — instead, you can identify the touchpoints and use the appropriate tools to encourage that individual during their journey. Direct mail might not be appropriate in every case, but when it is useful, you'll have enough data at hand to support your decision.

## Print Versus Digital

We've seen the debate between print and digital marketing rage over the past 15 years. Which is better? Which is dying? Which is more effective? Ultimately, [it doesn't matter to the consumer](#). All consumers want to know is that their needs are being met, at a price they consider reasonable. They don't care if the offer that moves them comes via an email, or a catalog, or by any other means of communication.

That's a big concept to grasp. In the consumer-focused world, it's not about one option being "better" than another. It's about how your efforts support a company-wide goal of satisfying and meeting each customer's needs. However, it is important to consider all of the steps that lead to the customer being motivated to buy. For instance, a customer who responds to your direct mail offer has probably also seen some of your company's digital marketing. You can (and should) look at the digital trends that run parallel to your success in direct mail. Not only will this help your department, but it'll aid your company as a whole.





## Be on the Leading Edge: Best Practices to Adopt as You Move Direct Mail into the Future

As you gain a better understanding of the power of intent data, it's imperative you use that data to take further advantage of direct mail's capabilities. After all, direct mail only works if it ends up in the hands of the right people. As a direct mail circulation director, it's up to you to build the best audience possible, for both prospecting and reactivation efforts.

### ***Combine Purchase History and Buyer Intent***

Before you look for ways to add new names to your active buyer file, it's a good idea to spend some time working with the names and addresses you already have. Take the transaction history that exists in your system and combine it with the lessons on buyer intent you're learning. This will help you identify hidden gems in your lapsed customer file who you otherwise would not mail, as well as marginal names in your mail plan that might be excluded. Additionally, it will help you understand exactly what these lapsed buyers are currently interested in, allowing you to personalize the mail piece accordingly. And while you are considering how to tailor mail pieces to best respond to the current needs/wants of your lapsed customers, why not use intent data to do the same for your active buyers?

### ***Nurture Existing, Active Customers***

What can you do with direct mail recipients who are already customers? The better question is, what can't you do? Today's printing technology enables you to reach your customers in a virtually limitless number of ways. Combine that ability with the data at your fingertips, and you've got a sure-fire recipe for success.

Linking a customer's address with their website activity unlocks the door to unprecedented customization options. Is there a particular section on your website a given customer visits frequently? Put products from that section on the cover of that customer's catalog. Include coupons that align directly with the recipient's browsing preferences. Offer promotions

specific to each customer's demonstrated wants and needs. Do anything you can to tailor your direct mail to your customers on an individual level, and they'll be much more likely to become repeat customers. Remember, every customer who visits a page on your website is raising their hand. They want you to market to them.



## Re-Engage Lapsed Customers

Sending direct mail to lapsed customers often isn't profitable, so they are removed from the active house file and sent back to database cooperatives for optimization. Sometimes those contacts end up on a list for re-engagement, but often they fall through the cracks. One of the negative aspects of using a customer's purchase history to determine buyer intent is that the value of information deteriorates over time. Their interest in purchasing a new mattress two years ago may not reflect a current interest you can appeal to. The further back you look at transaction history, the less accurate the information is to predict future purchase behavior. And a purchase followed by years of inactivity tells you very little about why that customer vanished. Fortunately, this new era of technology gives you a second chance at reviving interest in your brand.

In the past, former customers would disappear and you'd never gain insights as to why. Today, you can learn what some of those individuals have been up to. [Database co-ops](#) and looking at your own website traffic can help you gather information about customers who have gone astray. While there's no guarantee you'll gain the insights you're looking for, you may find some of your former customers patronize a competing brand or they're visiting your website frequently without making a purchase, which is valuable information to have. That's a perfect opportunity for you to leverage and customize direct mail pieces to show you're willing to fight to retain their business.

## Find Unique Prospects

While it's a best practice to make the most out of your house file, it's also important to add volume to your mailing list. In other words, your mission is two-fold — take care of the customers you already have while simultaneously reaching out to a new batch of interested consumers.

Direct mail circulation lists have always effectively combined third-party data and first-party data to reach prospects and existing customers. Working with multiple database cooperatives to rent lists continues to be cost-effective, time-saving and efficient. But the rate of duplication from combining selected audience segments into one prospect list is high, which cuts into the number of prospects you can potentially reach out to and adds to cost.

One method to increase the number of mailing prospects would be including consumers who have expressed interest in your company by visiting your website. But there have been gaps in learning how to read and use the large amounts of information you acquire by analyzing web traffic. How can you use information gained from website traffic if it's not readable or if you can't find the data that is relevant to you?

With advances in web analytics, it's now possible to easily read visitors' digital body language to forecast their interest and their intent to buy from your company and use it to send them personalized direct mail.



The good news is that combining the knowledge you have in-house and the knowledge database cooperatives or list brokers acquire will improve the quality of your data, helping you appeal to both current customers and new recruits. Once again, the more buyers you observe on your site and through their interest in similar products as yours, the better you'll be at determining their intent, and that makes your company a more efficient organization.

### ***Transform Your Strategy As Your Customers Evolve***

In today's modern marketing landscape, it's no longer enough to rely on the tried-and-true methods that have made direct mail marketing so effective in the past. The challenges you face to retain your existing customers and grow your buyer file are made more difficult by the attribution wars and the higher cost of doing business. However, you've never had as many tools at your disposal as you currently do. As you begin to better understand your customers and how the digital aspects of your company's marketing factor into your direct mail efforts, you'll be poised to lead your direct mail campaigns into the future.







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