

Direct Marketing

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Editorial

Dear reader,

The fifth edition of IPC Direct Marketing Flash continues to provide news and insights into recent developments in the direct marketing sector.

This issue includes a feature story on the power of mail communication looking at how direct mail marketing can compete successfully against digital media. Within this publication, we have also included a summary of the first results of audience measurement performed by GIE BALmétrie, a Group of Economic Interest with La Poste as its co-member.

Further in this issue, we look at innovation in letter sending with a US-based company Lettrs promoting traditional letters and coupling the physical and digital experiences. Next, we focus on two direct mail case studies regarding creativity in automotive and cable manufacturer marketing efforts.

As usual, this edition also features recent awards and news from the wider direct marketing sector and upcoming industry events.

We are constantly looking to expand and enrich the content of this publication and are open to discuss any suggestions, contributions or news from your organisation for inclusion in the next issue.

We hope you enjoy reading the Direct Marketing Flash and look forward to receiving your feedback.

The IPC Publications team



Feature stories

The power of direct mail



The volumes of addressed and unaddressed mail over 2010/2011 increased considerably in several markets including Hungarian Post, USPS, Norway Post, An Post, New Zealand Post and Deutsche Post DHL. In recent years, posts have been facing competition from new media such as email, social and mobile to name a few which are often the preferred choice for marketers nowadays. And the competition is aggressive and very uneven as digital media have the astounding advantage of being easy to manage and very fast - instantaneous, to be exact - in reaching consumers.

The swiftness of digital media, however, should not be a reason for giving up on direct mail as both types of media have different advantages in achieving marketing objectives. The physical presence of direct mail continues to be an underestimated strength in an increasingly digital advertising world. According to the US Direct Marketing Association 2012 report, 98% of consumers bring in their mail the day it is delivered and 77% of them sort through it immediately.

In April this year, Matt Haskell from SourceLink, a marketing service provider in the US, collaborated with Canada Post to lead a webinar *Direct Mail: Coming to life & increasing ROI with new technologies* where he provided case studies emphasising the notion that direct mail works best when enriched with other technologies: augmented reality, video and variable-data printing among others.

Augmented reality, discussed in detail in the previous issue of DM Flash, is a powerful technology used very successfully in catalogues (image matching, product features, exclusive offers) and on packaged products. Using a smartphone, consumers can access additional value-add experiences such as viewing an assembled lego set or even how clothes would look on a real person.

Print gains additional power when linking paper to video elements. Technology like QR codes re-directs the viewer to a video on the Internet. At low cost, a small LCD display can be embedded in a mailpiece to provide the reader with an instant interactive experience. The use of video and print drives interactivity and engagement with the ad content and brand. It also enables switching between media channels, leading to a personalised URL for example, more easily. A technology which has not been widely used in direct mail marketing so far is Near-Field Communication (NFC). Tiny RFID circuits or "tags" are embedded in physical objects and send data directly to NFC-enabled phones and devices. These devices are expected to see exponential growth in the coming years.



Although NFC technology has not yet taken the marketing world by storm, it has been used in innovative campaigns around the world. In Sydney, promotional posters for the computer game Halo 4 were displayed throughout the city, each equipped with an RFID tag. On the day the game launched, the tags activated and turned the posters in a city-wide scavenger hunt. The first person to scan an ad with their phone was rewarded with a signed copy of the poster. After a winner claimed the poster, the tag went back to directing users to a Halo 4 themed multimedia site, but eager fans could hunt down unclaimed posters using a smartphone app.

In the UK, Marie Claire ran the first national NFC magazine advertisement which allowed readers to tap their phones on a page to receive a two-day gym pass.

In Japan, consumers were incentivised to learn about or sample a new fibre-infused variety of Pepsi cola when travelling on their commute to work. Tagged stickers advertising the drink were placed in windows or on handhold straps of trains where riders could 'tap' the sticker with their NFC-enabled phone and access information about the product or play games to win free samples.

US based Adobe has delivered an important message about the advertising media consumers prefer with its 2012 study The state of online advertising , conducted among 1,000 citizens and 250 marketing decision makers in the US. The study revealed interesting results in attitudes towards advertising channels and marketing in general within these

two groups. Print magazines and favourite TV show ad breaks were chosen as the two most preferred places to look at an ad by 68% of consumers and 76% of marketers. Online advertising in general was identified by the surveyed groups as annoying, distracting and omnipresent. Asked about their expectations for advertising efforts, 73% agreed that a good ad should provide an interesting, unique story. With the digital advertising rising exponentially, a creative, cross-media direct mail campaign with a story to tell is well positioned to deliver a healthy ROI that modern marketers are desperate to reach with standalone modern media.

Promoting direct mail campaigns, one needs to be aware of the changes that occurred in recent years on the media horizon and that no standalone media has total appeal. In order to ensure the highest return on marketing investment, technology must be present along a direct mail piece in a creative and well-thought way.

Source:

[Sourcelink](#)

[NFC-enabled phones growth analysis](#)

[State of Online Advertising Study 2012](#)



GEI BALmétrie releases first audience measurement results for Direct Mail

GEI BALmétrie, a Group of Economic Interest established in March 2011 to develop the first audience measurement tool for direct mail (addressed and unaddressed) in France, reports that 49.9 million people read on average of 12.5 direct mail every week. The study conducted in metropolitan areas nationwide by IPSOS MediaCT with the support of CEPA (Centre for the Study of Media Advertising).

The ability to profile readers of Direct Mail and measure how Direct Mail is accessed and read, provides data which for the first time enables Direct Mail to be integrated into established media planning tools. Four types of direct marketing media are measured in the study:

- General information
- Unaddressed advertising mail
- Direct mail
- Transactional / transpromo mail

The study reveals the overall reach of marketing mail media (Direct Mail, transactional advertising and unaddressed mail), with 6 out of 10 people receiving marketing mail through the post on an average day.

In an average week, over three-quarter of people in France read at least one unaddressed mail piece and two-thirds read at least one addressed mail piece. On average, individuals read 12.5 marketing mail pieces a week.

The study also reveals that readership of marketing mail among digital natives (15-34 year olds) is relatively high, with on average 8.8 marketing mail pieces read weekly by this age-group.

One of the objectives of the study is to clearly understand the way marketing mail is read and therefore reading information is captured at three different clearly defined levels: read in detail, scanned or only skimmed.

In 2014, the precision of the audience measurement tool will be further enhanced so as to distinguish between first-time read occasions and subsequent occasions. Several pilot tests have already been completed in order to identify the best approach to answer this question.

GEI BALmétrie is a Group of Economic Interest with participation among others from Le Groupe La Poste.

Source: [Balmetrie press release](#)



Industry news

Social letter sending



Despite social media on the rise and global mail volumes declining, there are still new investments in innovative mail communication. A US tech start-up Lettrs sees an opportunity in the physical communication business. Lettrs creators managed to provide an inventive cloud-based platform to send both paper and digital letters around the world in 2012, and now the company launched its first mobile app for the iPhone, with Android and iPad versions already in development.

The app extends the function of the lettrs platform by converting mobile voice, data and pictures to digital and paper post letters. With the goal of increasing meaningful communications from the palm of your hand, the app allows you to dictate, modify and deliver a letter through either the cloud or via lettrs' real-life postal operations in Collinsville, Connecticut. Drew Bartkiewicz, founder of lettrs introduced the app at the PostalVision 2020/3.0 conference in Washington, D.C., where he was leading a panel discussion on the future of written communications. Bartkiewicz described the lettrs platform as a personal writing desk, designed for slowing down and catching up on all of the letters we stopped writing at the advent of the digital age.

Users can customize the experience by choosing from more than 20 fonts and themes, uploading a letter with the iPhone's camera and preserving letters in two basic dashboards: Shoeboxes (private) or on the Fridge (public). Lettrs also offers

a school program, called Literacy Through Letters , to teach today's generations about the aspirations and affirmations of good letter writing.

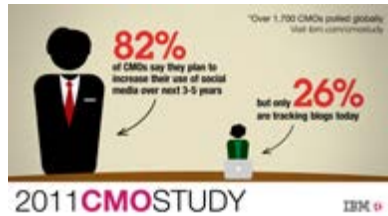
One might ask why anyone would want to use the service of a newly founded company instead of, say, an established postal operator, but the answer is not really a secret: using lettrs application allows for a seamless combination of social media with traditional way of communication. What is even more appealing is the ability to send an offline communication using an online interface - no need to buy stationery, stamps or to walk to the nearest postal outlet.

Interestingly, B2C and B2B stakeholders' expectations regarding the postal medium bear a lot of similarities. Companies using direct mail for marketing communication as well as individual senders expect the same features from their direct mail providers – the most welcomed one being simplification. Partly because of the digital communication being intuitive and uncomplicated, people are looking for sending physical communication to be an easy and seamless experience.

Source: www.lettrs.com



Appeal of analogue and the convenience of digital



A 2011 extensive study conducted by IBM among 1,700 CMOs found that 82% of them were planning on increasing their use of digital media over the next 3-5 years. As more and more marketers are becoming savvy with digital media marketing, the communication highway is fast becoming a massive information traffic jam and more and more consumers report that they prefer to receive information from direct mail.

Not all marketers, especially young ones, are aware that by including direct mail element into digital media strategy design, there is a higher chance of manoeuvring through the cluttered information 'highways' into the mind of their target audience. According to Channel Preferences study by Epsilon, 51% of US consumers and 49% of Canadian consumers said they pay more attention to postal mail than email.

While digital media in general is gaining popularity, direct mail remains a moving force with a response rate 28 times higher than the response rate of email marketing. In addition, compared to digital, millennials see printed communication as more official, secure, trusted and easier to keep confidential.

Source: [Consumer survey - channel preferences](#)

Digital natives prefer offline ads

American teens aren't fans of everything digital, according to the study from Research Now and K&A BrandResearch conducted in the fourth quarter of 2012. The research among over 600 teens aged 12 to 17 years old was conducted in the United States.

According to the study, American teenagers favour offline over online ads in general. The respondents were presented with several statements about ads and asked whether each statement applied more to online ads (such as on Facebook, search engines), more to "real-life" advertisements as those on the TV, radio, posters, and magazines), or whether the statement didn't apply.

Offline ads were significantly preferred among the respondents. When asked which ads really get on their nerves, teenagers were twice as likely to point to online than offline ads (45% vs. 23%). They were even clearer in their assessment of which ads they try not to pay attention to, with 48% choosing online ads against 21% choosing offline advertising. In terms of the ads they like to watch, 37% of the surveyed group opted for offline compared to 17% for online.



The study also identified that teenagers believe they're more likely to recall and share offline than online advertisements. When asked which ads they're more likely to remember for a long time, half of them chose offline ads, while just 12% chose the online option. When discussing ads with friends, twice as many teens (32%) talked about 'real-life' ads than online ads (16%). This research clearly demonstrated the value of traditional media channels in capturing the attention and interest among youth segments.

While social media advertising is comparatively cheaper and 9 out of 10 teenagers use social media or text to communicate on a regular basis, offline communication seems a more effective way of awakening their interest in a product and avoiding becoming a nuisance background noise.

Source: [Offline to online preferences study](#)

Sample mailings benefit from summer promotion

The United States Postal Service continues to promote direct mail with a summer discount on product sample mailings designed to raise awareness of its Simple Samples offer. Simple Samples is a Standard Mail product offering flat-rate pricing and volume discounts to companies mailing trial-sized samples to consumers.

The summer promotion gives a 5% discount on qualified product sample mailings sent between 1 August and 30 September. Customers can use either a mailing list or have their samples delivered to every household on specified delivery routes.

By taking advantage of the additional discount on Simple Samples pricing, the Postal Service says customers will also benefit from less stringent mail preparation requirements that eliminate the need for outer packaging.

Source: [USPS promotions](#)



Case study

The Coconut creative by Nexans



In late 2012, a cable manufacturer based in Sweden, Nexans, launched a new generation of one-kilowatt cables. Previous generations of electrical cables proved hard to open with electricians working with older Nexans cables reporting injuries. Nexans wanted to drive awareness of the technical advantages of the new cables among electricians.

The strategy was to address 204 managers of cable wholesale companies who, between them, are the gate-keepers to a market worth two billion Swedish kronor (EUR 230m), and to drive them online to obtain the full specifications of the new product. These were very rational target group who would need convincing that the new cable delivered all that Nexans promised.

Idea

The core proposition of the communication was to show how easily Nexans cables could be opened, eliminating a problem that had existed for decades. The creative solution was to mail a coconut to the 204 wholesalers linking the idea that the one-kilowatt cable used to be as difficult to open as a coconut but this has changed with the release of the new Nexans

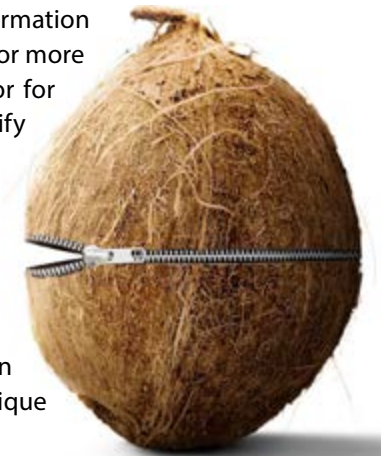
product. To illustrate the significant change in the new cable, the Nexans coconut incorporated a standard zipper which opened the coconut. Inside, the receiver found information and cable samples and was directed to the website for more detailed information. The idea was also a metaphor for what Nexans stood for – a company that could identify with electricians and provide practical solutions for them.

Results

One of the campaign objectives was for at least 150 recipients to visit the website within three weeks. In the event, the campaign's microsite received 260 unique visitors within the first week, 73% above goal.

Conclusion

The moment of surprise and engagement in this campaign was discovering the meaning of the pack and its message. There is a tendency for marketers to communicate more rationally, less creatively in business to business situations. This campaign proves that creativity is always appreciated.



Source: www.directnewideas.com





The Land Rover Escape Key

Car manufacturer Land Rover used the expertise of agency Y&R Dubai to deliver a creative direct mail campaign cutting through the advertising noise. Therefore Land Rover decided to launch a direct mail campaign at the beginning of 2013. Land Rover wanted to promote the classic adventurous spirit of its brand car to a new generation of prospective owners. The brief was to remind executives in their office cubicles in their high-rise towers that there was a life beyond the urban jungle.

Idea

Prospects were mailed the Land Rover LR4 Escape Key, a small object that allowed them to personalise their desktop PC. They were asked to replace the Escape key on their keyboard with the Land Rover version in order to have a gentle reminder every working day that with a Land Rover they could at least escape the daily routine. The letter that accompanied this unusual keyboard element invited recipients to test drive a Land Rover for themselves.



Results

As part of this campaign, 2,400 mailings have been despatched, in three waves of 800 each. The number of queries at dealerships almost tripled and test drive requests increased by 208% as a result. Most importantly, it made the Land Rover LR4 the top-of-mind 4x4 vehicle to every recipient.

Conclusion

Classic direct mail campaign is all about the offer. This campaign, however, appeals to self-interest and the irresistible notion of a bargain or of something for free. It offers nothing except possibilities and is a great example of brand communication. What Land Rover clearly demonstrated with this campaign is that direct mail doesn't need to be as urgent as some marketers think.

Source: www.directnewideas.com



Awards

RECENT: 2013 An Post Integrated Direct Marketing Awards

With a 24% increase in entries, 2013 An Post Integrated Direct Marketing Awards was one of the biggest marketing events of the year in Ireland. This year's theme, 'Magnetism Measured', invited the finest home-grown talent to submit those sales and marketing campaigns that delivered strong results and return on investment for client companies.



Many new companies and agencies entered the Awards for the very first time, reflecting the consistent shift away from mass-advertising to more direct, personal and measurable marketing. According to Amárach Research, as advertising spend continues to fall, spend on Direct Marketing continues to rise from 29% of marketing spend in February 2011 to 38% in February 2013.

Over 300 sales and marketing professionals attended the Gala Awards Night in Dublin's Mansion House on May 10. Cork-based agency Forza Direct Marketing, entered the awards for the first time and walked away with two Gold awards for their highly creative and effective campaign for Waterford thermoform provider, Tekpak.

This year the Awards Programme saw a number of new developments including new Craft & Loyalty categories to reflect the changing marketing landscape. Loyalty is a number one strategic priority for 55% of Irish marketing decision

makers as they seek to retain and reward their valuable customers. The inaugural Loyalty Programme of the Year was won by Bord Gais Energy for their breakthrough Energy Rewards programme.

The coveted 'Agency of the Year' was awarded to Ignition – integrated ideas people, a small Dublin agency headed by David O'Sullivan, for their award-winning work with Musgraves-Supervalu, The Parnell Heritage Pub & Grill and a highly personalised new business campaign for the agency.

Winner Highlights:

- Agency of the Year: Ignition – integrated ideas people
- Best Integrated Campaign: DDFH&B Group for the National Lottery, Daily Million Launch
- Loyalty Programme of the Year: Bord Gais Energy
- Supplier of the Year: RR Donnelley

To view the full list of winning campaigns and winners from the night, go to www.anpostdmawards.com

Source: www.anpostdmawards.com

UPCOMING EVENTS

Australian Direct Marketing Association is offering all 2012 DMA Awards finalists automatic entry into round two of the ECHO Awards 2013. This affiliation with the ECHO Awards will promote the DMA Awards internationally, which means campaigns and hard work will be recognised alongside some of the best campaigns in the world. Because of the affiliation, no extra work is required for creative campaign to be eligible for the DMA Awards.

Important dates:

Friday 2nd August: Call for Entries closes.

Friday 1st November: The ADMA AWARDS XXXV Gala Dinner, at The Star Casino, Sydney.

Source: www.adma.com.au





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About this publication

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If you would like to contribute to this publication or require further information, please contact: publications@ipc.be.

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