

## The eMail / Mail hybrid approach to DM

**E**mail is arguably the very worst place to sell a product or service! But if that's true then why are some of the world's leading companies actually increasing their email marketing spends and what can their plans tell us about the best way to look at our own digital marketing?

### Old-school Direct Mail

Traditionally, direct mail has won advertisers over by offering a timely and direct route into people's homes and businesses. DM has evolved over the years and while printed letters still feature large in the DM industry they are no longer sent to "the homeowner" or 'Dear Sir/Ms". Highly personalised colour printed pieces are now commonplace and marketers are much more aware of how data can make or break a campaign.

Traditional DM benefits from a clear differentiation between the way companies communicate with prospects, customers or even lapsed customers and advertisers understand the need to talk to each category differently. Targeting, data segmentation and the relevance of the mailing piece are all considered because the cost of the campaign must be recouped, in most cases, by the measured response to the campaign. The price of data, printed collateral and even postage is something most marketers are used to having to justify and the marketing process to allocate budget and determine the campaigns

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profitability is usually in place.

### eMail, the new kid on the block

The use of email as a marketing medium is relatively new. Its use has grown largely due to a lower perceived cost. With email marketing the only rule to date has been that there are no rules!

As the digital marketing industry matures and mail forwarding companies are held accountable to the big name mail providers, standards are being outlined and email is looking like a serious business contender. The only real hurdle left for the email marketing industry is to make users recognize that the need for targeting, segmentation and post campaign analysis, typically reserved for traditional DM, is applicable to email.

Mailers must stop seeing the email medium as a test bed where all manner of inappropriate emails can be scattered, like seeds in the wind, upon consumers. Spam filters will handle a large percentage of the dross most users will suffer but the poorly targeted rubbish that makes it through leaves consumers looking for a better way to stop all advertising reaching their inbox.

The savings email campaigns can offer begin at the collateral and end just before despatch. It's true that printing and enclosing are removed from the equation but to ignore design or the cost of sending the mail would be short sighted. Advertisers must understand that it's not just about maximizing the number of pieces sent out for their money. Sending your mailing piece to 100,000 'inexpensive' email addresses doesn't mean that the return will be greater than using traditional DM to reach 10,000 contacts who were selected by looking at the demographics of your current customer base. More is just not better!

Compare apples to apples; look at the actual number of sales achieved or leads generated and you'll likely find that you are spending less on your email campaign. But apply that measurement over the long haul, the purchasing life of your typical customer and you may well discover that the net gain is similar for a similar cost. The only thing that email really has the potential to change is your target demographic and the rate of initial return.

### **The eMail / Mail hybrid approach.**

There is little doubt that email has a cost advantage over mail in the short to medium term. While the design work remains important, perhaps even more so in digital communications, the printing, transportation costs, enclosing and postage are all taken straight off the bottom line. Because of these savings many marketers have switched huge amounts of their advertising budgets over to email campaigns. Were they right to switch? Apparently not. A large number of big advertisers are now switching back having experienced the backlash of customer complaints and a wave of unsubscribe requests.

Fortunately not everyone is switching away from or back to traditional DM. Many companies are taking stock of their efforts over the last year or so and are taking the time to identify the strengths and weaknesses of digital and traditional mail campaigns.

The winner in the playoff between these two media will ultimately be a hybridised campaign exploiting the strengths of both forms of communication.

The process begins by knowing who you need to mail and by being sure that this person is likely to be interested in what you have to say. Newsletters to existing customers, sales literature to a regular buyer and discount coupons to lapsed customers are all prequalified. If you are using DM to prospect for new business then the issue becomes more difficult. The importance of targeting and relevance should apply regardless of the media used. Email users are very good at unsubscribing and they are much quicker to do so than

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with traditional printed matter received in the mail. Once the unsubscribe request comes marketers should be duty bound not to contact that customer again or they risk a growing threat of legal action and the more immediate threat of negative blogging!

Given a carefully selected set of prospects and a well crafted mailing piece the first step in a hybrid DM campaign is to email your list with a personalised email offer. The offer is a little more succinct than the printed material might be with a catchy, though not outrageous, subject line. The mail should be from an individual at your organization; just as if it were a printed letter and the email should compel the user to click on one of the two or three links in the text. Pictures are tolerated by firewalls and mail agents but they should be minimal and relevant. Text should be simple and more "sound bite" than "magazine article".

There are two goals for an initial email. The first is to be appealing enough to open. Most email readers have a preview window and many of them will not display the graphics in the email. For this reason the subject line must be interesting and the lead-in text of the email should be compelling. Compelling enough to open and compelling enough to cause the reader to display the embedded picture. The second priority is the link in the email. Openers might just have a passing interest. If an email has been opened and its graphics downloaded the date and time of opening can be tracked but it would be premature to assume interest until the recipient has clicked on a link in the text to take them to your website! Don't be tempted to make outrageous claims just to make a recipient open the mail or to visit the site. People are smarter than that and they will drop any association with your company at the first sign of 'bait and switch'.

The ideal situation has a recipient opening the mail, viewing the graphics and best of all clicking on an embedded link!

People who click on a link in your email are telling you loud and clear that they are interested in what you are saying. Maybe they will go on to place an order today or to ask for more literature but the key factor here is that they are a known quantity; a hot prospect.

The day after your email you will have a list of people who opened the mail, a list of people who clicked through to visit your site, another of people who bought or asked for more information and yet another of people who's email bounced back with either one message saying 'Gone away' or several saying 'not reachable'. All of these lists are of use and all of them will help you to fine tune the next campaign. The remaining data from your initial mailing are people who may be interested or not and waiting a day or two to see if any more respond might be appropriate.

While you are waiting, fulfill the orders received (if it was a direct sales mailer) or send further literature to those who asked for it and to all the people who clicked through but didn't ask for anything... test the waters with a follow up letter or even a discount coupon or code. You know these people cared enough to look, you don't want to drop them just yet.

Each day you are waiting for the end of the email phase of the campaign send letters to the previous day's responders. You need to let these people know that their interest is noted, their business invited. A letter of thanks with a reminding call to action might be appropriate. At the end of the week you can remove all of the responders, the customers, the gone-aways and the unsubscribers and what is left is a traditional mailing list to follow up with a printed and more complete mailing piece.

Remember that all we know about this mailing list is that they didn't respond to the email campaign. There is no indication that they are not interested; they might be on holiday or their company spam filter might have prevented your message from getting through. Ideally the numbers to mail will be half of the initial list, perhaps fewer. At this point you are trying to establish a cost benefit by saving on the physical print, handling and mailing by reducing the

number of mailed pieces. Shortcut the process and drop the DM at this point you will certainly have benefitted from the email contact but you will leave money on the table. There might be instances where 95% of an emailed list responds immediately and it doesn't seem worth following up with the mailed pieces but there is little point in limiting the success of a campaign by excluding perfectly good leads. In fact you would have more reason than ever to write to the remaining section of the list given that the data has proven its value.

At the end of the campaign you have the following lists...

- Customers
- Hot leads
- Warm leads
- Cold leads
- Unsubscribers
- Undeliverables
- Non responders

If you own the mailing list, or you have rented it for multiple use, then the non responders should stay in your data pool to be used for the next mailing. If the campaign was designed around the premise that multiple contacts work better for your business then this would be a good time to send another mailing. Rented lists with only one use paid expire at this point and it would have to be a financial decision whether or not to pay for another use for the unresponsive portion of the file.

The important underlying principle in the email/mail hybrid approach is continuity. Renting a list, sending a flyer, either email or mail and then just waiting for results is a losing proposition. Begin the campaign determined to wring as much value out of the exercise as possible and it is likely that you will succeed. While it is impossible to guarantee a positive return on your campaign you will increase the chances of success exponentially if you work with a mailing house who will work with you from the start to make sure your data is as targeted as possible, your message is as relevant as possible and that all precautions have been taken against the possibility your email will be treated as spam. Email may well be the worst possible place to try to sell

a product but it is an ideal way to introduce a prospect to a new company name, a product or service. Combined with effective traditional DM it can be far more powerful than either email or traditional direct mail alone.

The new order for Direct Marketing in general is to develop a brand and then develop a relationship with prospective customers. Relationships take time to develop and many marketing budgets are reflecting the need to provide value in all communications. Ten years ago marketing departments assigned a portion of their budgets to pens and letter openers with their names emblazoned down the side. Today value might come as a newsletter or a white paper. Consumers in every marketplace are more informed today than they have ever been in the past and communication with those consumers must keep pace with their voracious appetites for information. The hybridisation of Direct Mail is an evolution borne of a desire to communicate more completely and to gain every possible advantage from the information available.

*If you have any questions about this paper please don't hesitate to contact the author.*

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### **A note about print**

*When discussing the idea of blending email and mail into a single campaign I am often asked how the printer can respond quickly enough to supply the right quantity, often personalised, in the ridiculously short time frame available. The answer is Digital Print.*

*To the trained eye there is still a difference in the printed collateral from a litho printer and a digital printer. To the ordinary person they are indistinguishable.*

*Larger mailing campaigns have collateral printed and delivered to the mailing house to be overprinted with address information. But on short run digital print orders the printer is best placed to print the personalisation while the rest of the piece is being laid down.*

*Short run DM with its snappy response, quick turnaround and almost immediate capability to mail the right people at the right time are an ideal partner with digital print and most reputable mailing houses will have either digital print capabilities or a close tie in with a strong digital printer.*

*Once again this is a reason to find the right team to work with the right Mailing House to handle the job from design through to end game analysis.*