

THE MODERN  
MARKETER'S GUIDE TO  
**Crush ROI &  
Budget Goals  
with  
Direct Mail**

**Lob**





# Marketing as a profit center

High growth companies know that marketing is not a short term fling. We build our programs strategically, using technologies and talent to effectively close buyers and engage existing customers to meet aggressive growth objectives.

The best marketing teams focus on marketing channels that maximize growth and awareness. We strive to ensure marketing dollars are spent strategically, with a laser focus on generating revenue. But with budgets under tremendous scrutiny, how do we pursue ambitious marketing goals while keeping budgets in check?

**In this guide, you'll learn:**

- **Four strategies to optimize conversions**
- **Five real life examples of direct mail marketing campaigns that moved the needle**

## STRATEGY 1

# Optimize the customer journey to increase conversions

The customer journey is no longer linear and requires multiple touchpoints before a potential, or existing customer is ready to convert.

### THE OLD MARKETING FUNNEL

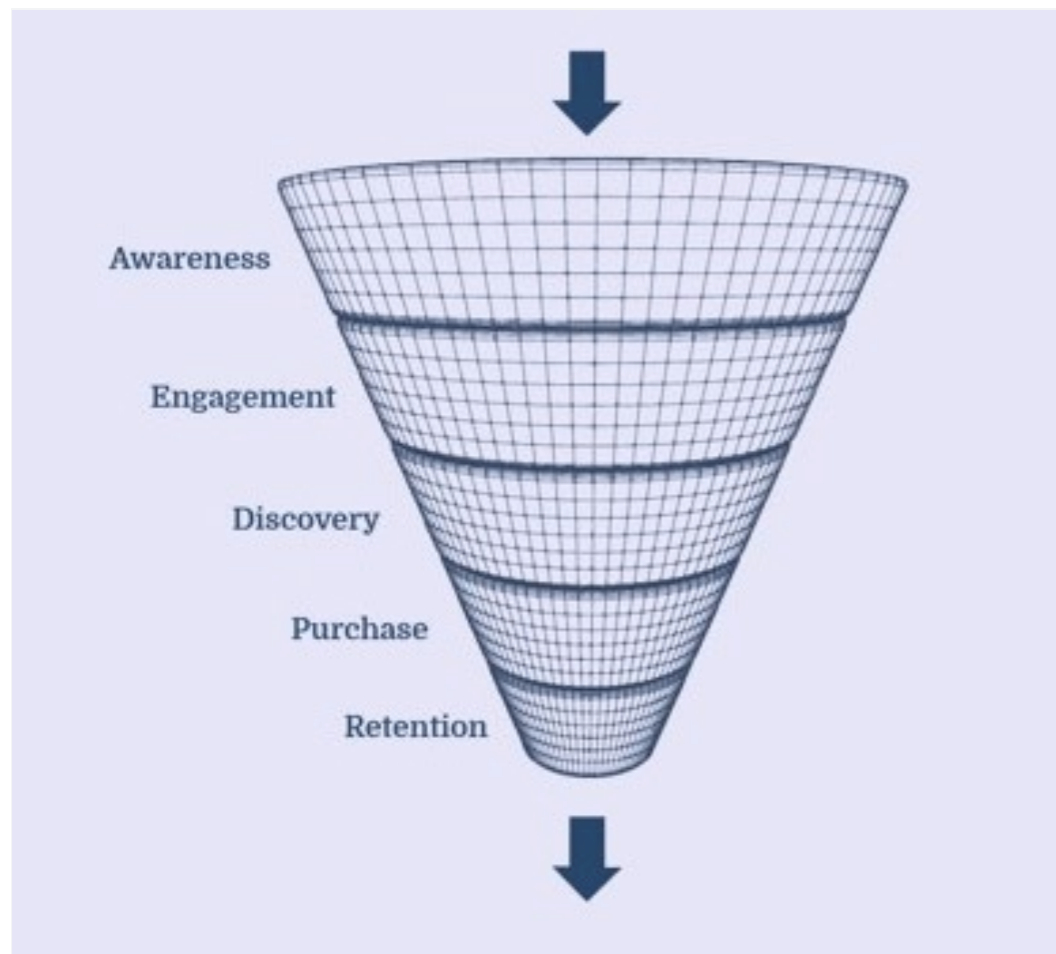


IMAGE SOURCE: CAMPAIGN MONITOR

Common conversion-driven [direct mail campaigns](#) include customer acquisition, retention, and reactivation. Here's how [usage breaks out](#):

Existing customer retention:

**29%**

Advocacy/  
Referrals:

**22%**

New customer acquisition:

**27%**

Reactivation/  
Winback:

**21%**

Despite budget restraints, we still have high lead acquisition and customer retention goals to meet. Where your marketing team puts its focus will depend on your organization's specific goals, but the exceptional thing about direct mail is that it works across the funnel.

### THE NEW MARKETING FUNNEL

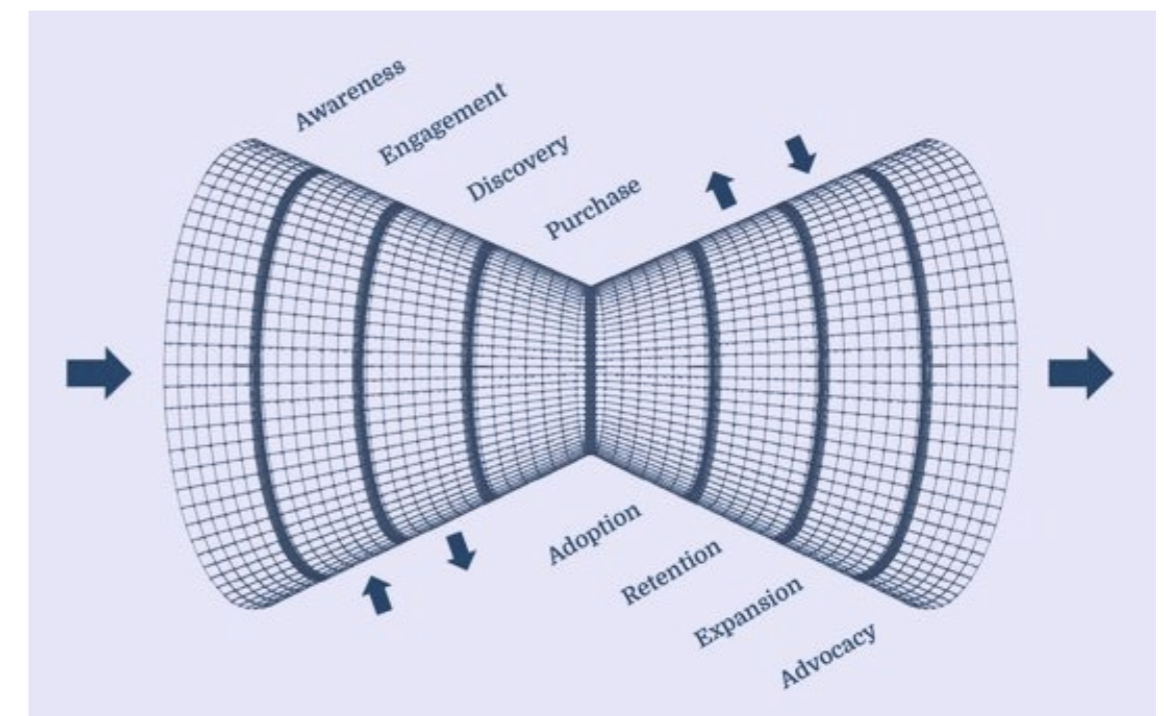


IMAGE SOURCE: CAMPAIGN MONITOR

## MARKETING FUNNEL STATS AT A GLANCE:

**53%** of consumers report using an ad blocker to avoid digital ads ([Source](#))

**65%** of a company's business comes from existing customers

**76%** of consumers trust ads they receive in the mail ([Source](#))

**60-70%** probability of selling to an existing customer vs. only 5% to 20% of selling to a new prospect ([Source](#))

**44%** For brands consumers do not know, **direct mail is the preferred channel** of communication with 44% of respondents selecting this channel ([Source](#))

**95%** Increasing customer retention by 5% increases profits by 25-95% ([Source](#))

## Marketers use direct mail across the funnel incorporating data, triggers, offers and tracking.

	ACQUISITION	RETENTION	REACTIVATION
<b>TARGETING DATA</b>	Second- or third-party list	First-party data	First-party data
<b>TRIGGER</b>	NCOA (National Change of Address) filing	1-month post-purchase	Unsubscribe or customer churn
<b>OFFER</b>	Free sample, shipping, or trial	Discount on next purchase Loyalty program	Gift with purchase
<b>TRACKING</b>	QR codes	Custom coupon code QR codes	PURLs (personalized URLs)

### → RECOMMENDED READING

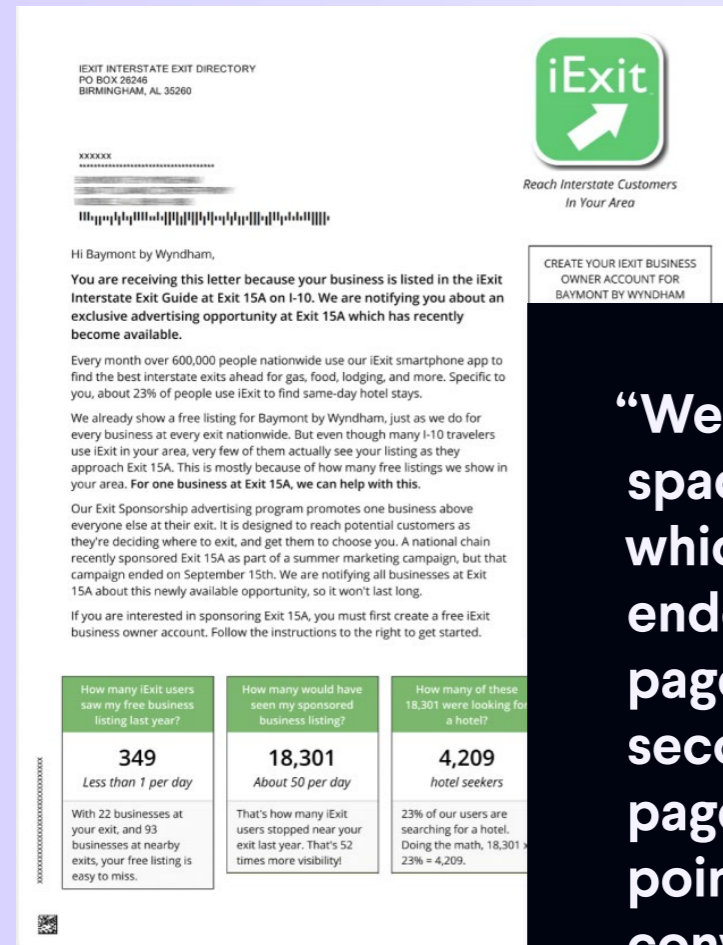
Curious how direct mail works in acquisition campaigns? Check out [The Modern Marketer's Guide to Customer Acquisition with Direct Mail](#).

## CONVERSION BEST PRACTICES

- **Audit and analyze:** Start with an audit or analysis of what's working and where you have opportunities to do better.
- **Consistency is key:** Deliver a consistent message across channels. If a consumer clicks on a link in an email, the landing page should have a similar look, feel, voice, and tone to the email.
- **Change the offer:** Experiment with the offer or incentive to drive conversions. If you usually send out a coupon for a percent off, switch it up to a specific dollar amount or run a buy one get one deal.
- **Get to the point:** The price point, we mean. Don't bury your pricing information; if you've reduced prices or rates, call attention to it.
- **Segment your campaigns:** Use data to your advantage to segment your campaigns to specific audience cohorts and personalize them. 52% of consumers expect some form of personalization. It's better not to target a specific segment instead of alienating them with non-personalized content.
- **Test and optimize:** You won't know what's moving the needle regarding conversions or ROI if you're not testing your campaigns or taking the time to analyze the results—and then putting the findings to work by optimizing campaigns.
- **Social proof:** Lastly, social proof can do wonders for your acquisition campaigns as it proves other customers are happy with your products or services. It lowers the risk consumers can feel about trying new brands. You can use testimonials, quotes, reviews, or case studies to provide the proof points.

# Real-life examples of conversion-focused direct mail campaigns

Let's take a closer look at some real-life examples to better understand how successful marketers use direct mail to crush their conversion goals.



**“We needed more space for information which is how we ended up with a two-page letter, and the second page, the FAQ page, was a big turning point in boosting conversion rates.”**

**Evan Metrock**  
Founder and CEO



## iExit used direct mail to ride the highway to customer acquisition success

iExit is a free travel and map app for road trippers and provides information about highway exits for travelers. Its business model operates on advertising revenue through business sponsorships for exits, but it was proving impossible for iExit to find the business owners' digital contact information to sell sponsorships.

### Direct mail fuels measurable results

iExit tested several direct mail formats and discovered that letters outperformed postcards for its target audience. Through conversations with prospective customers, the iExit sales team learned the most commonly asked questions and included the answers in its direct mail campaigns.

The **boost in conversion rates** equated to a 40% increase in users claiming their business listing on the app, and a 60% increase in purchased sponsorships. iExit's direct mail acquisition campaigns are essentially self-running, thanks to automation which continues to drive predictable and profitable results.

### THE RESULTS

**40%**

increase in users claiming their business listing on the app

**60%**

increase in purchased sponsorships

[Learn more about iExit's road to success.](#)

# nakedwines Naked Wines toasts to increasing customer retention

Naked Wines, a customer-funded wine club, wanted to create a deeper connection with its club members to increase revenue and retention. Naked Wines worked with Lob to create a series of automated and personalized welcome postcards for new club members to understand their membership benefits.

For existing customers, Naked Wines used Lob to send account statement letters to prompt repeat purchases. As a result of its retention-focused direct mail campaigns, Naked Wines increased repeat purchases by nearly 10%. And, Naked Wines has improved conversions across the customer journey.



**THE RESULTS**

**10%**

**increased repeat purchases**

**“We’ve been able to drive additional retention, increase repeat orders, and see benefits across the business.”**

**Benjamin Pack**  
Naked Wines



## Marley Spoon discovers the recipe for reactivation success

Marley Spoon sends recipes and pre-portioned seasonal ingredients in one convenient box, making it easy to cook a delicious dinner at home.

After working with several printers on its direct mail efforts, Marley Spoon partnered with Lob to use automated direct mail to reactivate its churned customer base. The CRM reactivation team, led by Malin Dettmann-Levin, used two kinds of customer data — user attributes and real-time events to create reactivation campaigns focused on high-value customers to maximize ROI. This strategy enabled the team to start small (minimizing risk) and apply its learnings to iterate and optimize future campaigns.

What happened next exceeded their expectations. The direct mail reactivation campaign drove 20% of paid conversions.

### THE RESULTS

**20%**

of reactivation conversions in Q1 from direct mail

**263%**

higher conversion rate with direct mail than email



Marley Spoon's team was encouraged by the results of its direct mail compared to other digital channels, including email marketing. Dettmann-Levin explains, "we get a **263% higher conversion rate with our direct mails than emails**. To put that stat into context, we targeted a smaller, high-value audience segment with our direct mail, and the emails go out to all customers. We reach more customers using direct mail than we would with emails because all of our emails don't get opened. We can reach customers who aren't interested in our emails. We use direct mail to target our high-value customers; we then have a segment that gets a direct mail and an email, and **we've found that the second group has the highest conversions of all the segments.**"

**"With each campaign we've sent, we've seen a higher conversion rate and a lower cost per reactivation."**

**Malin Dettmann-Levin**  
CRM Lead Reactivation

Marley Spoon really knows how to dish up conversions. Get its [recipe for reactivation success](#).



## STRATEGY 2

# Automate workflows to increase ROI

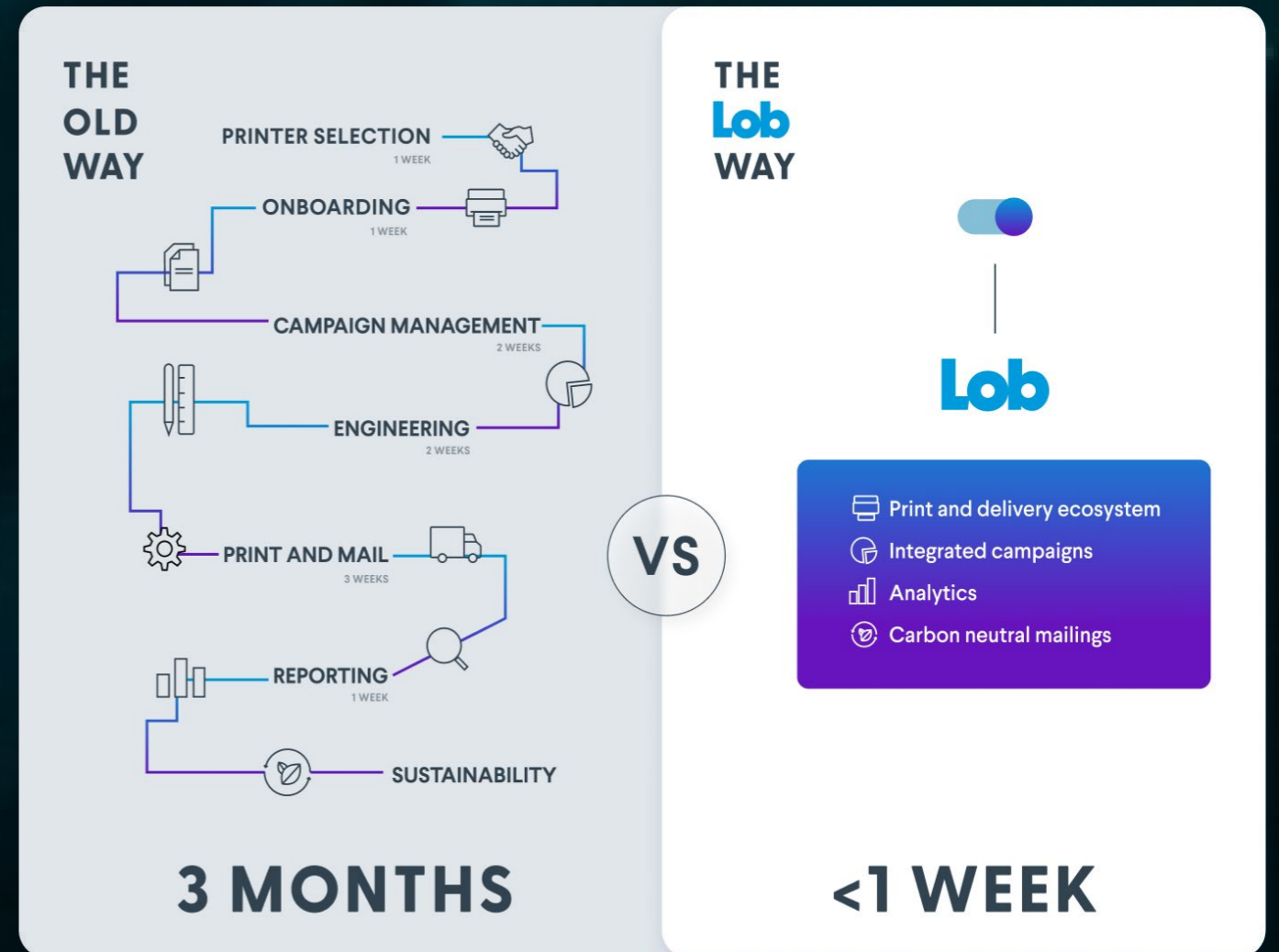
As pressure on margins grow, marketers are doubling down on channels that they know consistently deliver the ROI they want. This is where direct mail marketers shine.

But direct mail campaigns are not easy with manual processes, constantly changing prices and paper shortages. Marketers looking to take advantage of direct mail should invest in automation platforms so they can focus on the strategic and the creative.

Another reason automation is key - omnichannel orchestration. Keep reading to learn more.

# 67%

**of marketers say direct mail delivers the highest ROI of any channel they use**



Find the ROI you can achieve with direct mail using the [ROI Calculator](#).

# Real-life examples of ROI driving direct mail campaigns

“We have so many other platforms we have to tie into, above and beyond we loved how intelligent direct mail from Lob fit into that. If there’s technology to automate and make the process more efficient, my team can then be focused on strategy and innovation to drive business results.”

Director of Acquisition Marketing & Strategy

## Telecommunications giant improves acquisition campaigns by automating direct mail

Direct mail marketing is a tried-and-true channel, but some of the processes are stuck in the past. That was true for a telecommunications company that needed to modernize its legacy direct mail workflows that were time and resource-intensive.

This service provider already knew the power of direct mail. They used it in their customer acquisition strategy, which consistently delivered results but was also inefficient. Between handoffs and approvals across multiple departments and long production timelines, the company couldn’t create optimized campaigns nor take advantage of real-time data.

By eliminating redundancies in the RFQ process, data processing, and rendering, the company could automate its acquisition campaigns and optimize the experience for prospective customers. By streamlining the workflow and integrating Lob into their marketing tech stack, the service provider saw an 80% increase in campaign ROI and an 85% decrease in operational costs.

### THE RESULTS

**80%**

increase in campaign ROI

**85%**

decrease in operational costs

## STRATEGY 3

# Segment your audience

The need to segment your audience and tailor messages to them is key. Smaller segments could be more successful, but come at higher cost of acquisition. The most basic segmentation is demographic or geographic- age, income level, gender, city. More advanced segmentation looks at socioeconomic and other correlated preferences.

When consumers read direct mail, the likelihood to open or read is impacted by the right targeting and personalization:

**51%**

Use of first and last name

**60%**

A local event or location

**58%**

Name of an item recently purchased or viewed online

**59%**

Image of an item recently purchased or viewed online

You can use trigger-based campaigns tied to customer behaviors to create highly targeted campaigns that enable you to get better results and spend less.

## Ready, aim, target!

Three tips for targeting success

### 1. Make data work for you

Most enterprises collect customer data - from browsing history to past purchases. Use this data to effectively segment your consumer base and personalize your online and offline campaigns.

### 2. Personalize like a pro

Like email, every mailpiece should be completely customizable, from the images, text, and layout, to different form factors. You should also consider demographics, past buying behavior or past purchases, and search patterns to send valuable and relevant mail to recipients. Direct mail should feel like it's arrived just in time to solve a problem and meet an immediate need.

**8 in 10**

Enterprise companies use some type of personalization in their direct mail marketing

### 3. Go omnichannel for impact

Using data from your CRM, marketing automation platforms, and other integrations, you can precisely segment and target your audience members to receive the right message at the right time. This coordinated effort results in fewer targeted mailpieces (good for sustainability efforts) and better response and ROI metrics.



## Imperfect Foods integrates customer data to grow retention

Imperfect Foods, a direct-to-consumer grocery delivery service, wanted to optimize the customer experience and grow lifetime value. Using Segment, a popular CDP, to collect user activities, Imperfect Foods fed that data into its A/B testing tools, which allowed it to set up and run experiments in its digital properties for different audiences. Again using Segment, Imperfect Foods passed the data back into its data warehouse, where it analyzed the results with several tools, including Amplitude. This setup allowed Imperfect Food's small team to quickly set up and evaluate experiments.

The team hypothesized that allowing customers to select foods they didn't want in their monthly box would improve customer satisfaction and loyalty. Imperfect Foods built the functionality, tested it, established its target market (Los Angeles), and launched the feature to 50% of its LA subscribers. The update had a significant impact on retention.



## Customers that used the new feature were 21% more likely to be retained.

The streamlined data infrastructure and integration across all its tools allow the Imperfect Foods team to uncover customer experience changes that impact retention.

## STRATEGY 4

# Omnichannel orchestration

Forbes found that 90% of customers expect and respond better to consistent interactions across multiple channels. When done right, omnichannel marketing enables you to align across all digital and physical touchpoints in the customer journey and guide consumers along a path to conversion.

### Did you know?

**50%** Consumers engage with an average of six touch-points, with nearly 50% regularly using more than four. (Marketing Week)

**90%** Customer retention rates are 90% higher for omnichannel compared to a single channel. (Omnisend 2020)

**30%** Customers who engage with multiple channels spend up to 30% more than single-channel customers (RIS News)

It's increasingly hard to get in front of your ideal customer using just digital channels today. That's why marketers are doubling down on offline channels instead of a digital-only strategy. Only [5% of marketers](#) said they use direct mail as a standalone tactic. As we saw in the [Marley Spoon example](#), they got better results when they used email and direct mail together. The more you can lean in on your most productive and efficient channels, the better.

Direct mail is a critical piece of the marketing strategy puzzle. Companies are integrating direct mail into their existing omnichannel strategy with email, marketing automation, and data from their CRMs. By using data from their CRMs, marketing automation platforms, and other integrations, you can precisely segment and target audience members to receive the right message at the right time in conjunction with other touchpoints in the customer journey. This coordinated effort

results in fewer targeted mailpieces being sent (good for sustainability efforts) and better response and ROI metrics.

Direct mail provides a way to get your most important messages to consumers. As a moderately priced channel with high read and response rates, it fills a role no other channel does. Consumers check their mail daily, and because mail is less saturated than digital channels, they tend to read messages they'd delete or scroll past on digital channels. Like the tree falling in the forest analogy, consumers can't take action on a message they don't see, so using direct mail is a smart choice.

**Direct mail with your other tactics results in even stronger response rates.**

Direct mail works alone:

**13x**

higher base response rate than email

**Direct mail works even better with other channels and customer interactions:**

Response rate:

**6%**

Alone

**27%**

With email

**18%**

With previous purchase

An omnichannel marketing approach uses each channel where it's strongest. Rather than blasting the same content everywhere, you can use a high-impact channel like direct mail to drive conversions while using your digital channels to drive engagement, send routine and time-sensitive messaging, and keep brand enthusiasts in the loop.



**ThirdLove re-engages email unsubscribers with direct mail**

ThirdLove sells intimate apparel and is focused on high-quality, comfortable, and body-inclusive garments. ThirdLove recently tested using direct mail in a retention campaign that was a bit unusual.

ThirdLove tested taking a segment of its email subscribers that had unsubscribed and sent them a direct mail campaign. Their theory was that unsubscribed customers still wanted to receive offers and promotions from the brand, just not in the form of another email.

And its retention campaign proved that theory right. They found that their direct campaign achieved the **best results** and the *highest response rates* with email unsubscribers. And those were customers that would have just dropped out of reach before they modernized their direct mail capabilities. That's the power of intelligent direct mail.

**“Using Lob, we can use tactics and things that we know work in digital and translate them into the physical realm. Knowing the offer will be delivered in 2-3 days, and the message will still be relevant is important to us.”**

**Erica Richey**

Director of Customer Marketing

# The best way to improve your bottom line: **direct mail**

Take a page out of this eBook and harness the power of direct mail to crush your ROI and budget goals. Direct mail marketing is a channel that has withstood the test of time. Thanks to technological advancements, creating and executing a direct mail campaign has only gotten easier. With platforms like Lob, you can [automate the process entirely](#), allowing you to invest your time toward other marketing initiatives that also follow the guidance outlined in this eBook.

Lob helps you transform your direct mail into intelligent mail and integrates with your CRM to trigger personalized direct mail campaigns. Another time-saver? Lob handles the printing and production of your mail and automatically routes it to the best printer for the job. This process can be done in as quick as four days instead of weeks or months to ensure the timely delivery of your targeted messaging.

**[Get a demo](#) and learn how to turn your direct mail into intelligent automated mail with Lob.**

## About **Lob**

Lob is the only direct mail automation platform for the digital age. Lob's platform automates the direct mail execution process for enterprises at any scale - from creation, printing, postage, delivery, and sustainability with end-to-end analytics and campaign attribution. Over 11,000 businesses trust Lob to transform their direct mail into intelligent mail.

Founded in 2013 and based in San Francisco, Lob is venture-backed by Y Combinator, Polaris Partners, Floodgate, and First Round Capital.

**Find out more about Lob on our website: [Lob.com](https://lob.com)**