

THE MODERN MARKETER'S GUIDE TO

# Customer Acquisition with Direct Mail

**Lob**







**IN THE LAST FEW YEARS**, the cost of acquiring new customers has increased 60% ([Source](#)). Marketing is more expensive and customers have a lot more choice. As marketers, we're constantly looking for innovative ways to make a real connection with our prospects to get them to take action and gain their trust.

In this guide, you'll learn:

- **How marketers are combining online and offline marketing channels to build an acquisition strategy**
- **How to capture customer attention through the digital noise**
- **How to drive greater engagement**
- **How to improve conversions to crush acquisition goals**

## What is customer acquisition?

Customer acquisition is the process of nurturing and onboarding new customers to your business. The primary marketing goal in the acquisition phase is to create a sustainable strategy to grow revenue for the business - ways to showcase your brand and make connections with customers. You can also use acquisition tactics with your current customers to introduce them to new product lines or services. Customer acquisition campaigns use top of funnel content across various channels, including:

- **Social media**
- **Podcast sponsorships**
- **PPC**
- **Influencer marketing**
- **Paid ads on third-party websites**
- **Direct mail**

The best channels for your business will depend on your audience, resources, and your strategy.

## 67% of marketers say direct mail provides the best ROI of any channel which is why it belongs in your acquisition campaigns

Digital marketing is saturated. Think of how many email marketing specialists, social media managers, or PPC managers you know. There are entire divisions dedicated to specific digital marketing tactics, but how many direct mail marketing specialists can you name? We're not saying to drop all of your digital marketing campaigns and divert to direct mail, but we are saying it's an untapped resource for reaching your target audience. In fact, our [2022 State of Direct Mail Consumer Insights](#) found that 60% of consumers believe they receive the right amount of direct mail from brands but only 47% believe they receive the right amount of email from brands.

# Benefits of direct mail marketing

Every marketer knows that the customer journey is no longer linear and requires multiple touchpoints before a lead is ready to convert. Here's why marketers trust direct mail as a touchpoint:

## GEOGRAPHIC TARGETING

With direct mail, you have a lot of flexibility with your targeting by sending acquisition campaigns to specific cities, ZIP Codes, and even certain streets. You're reaching your prospects at home, or their business address, instead of relying on IP addresses or geographic ad-based targeting on social media.

## FIXED PRICING

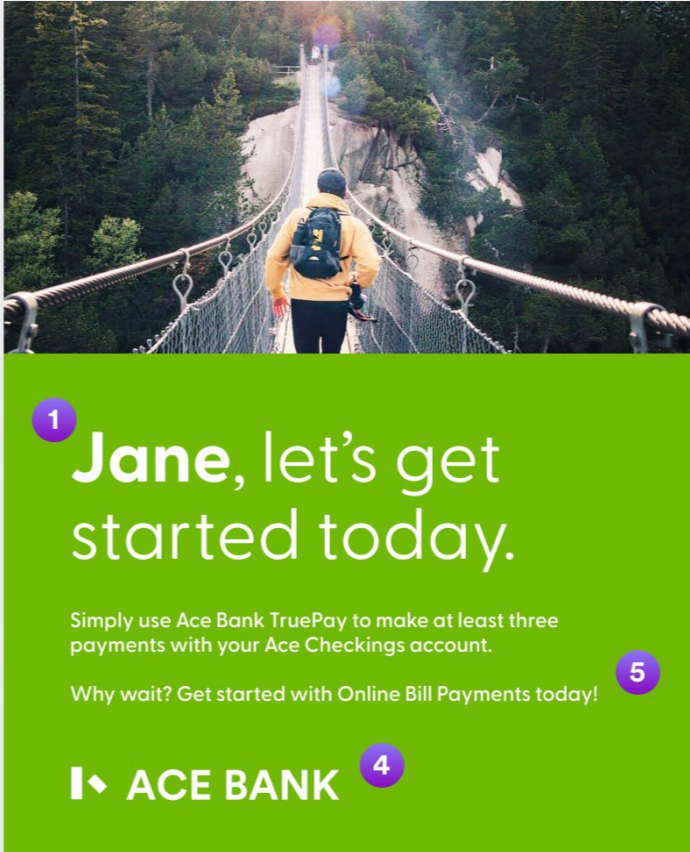
Direct mail operates on a fixed cost instead of a fluctuating, auction-based pricing model. This is a huge plus for businesses in industries with highly competitive search volume as it can lower acquisition costs significantly. Plus, it makes budgeting much more predictable as fixed rate enables you to know how much you're spending, and it stays that price even if you send less volume.

## GET PHYSICAL

Not everyone has an online presence or inbox, but most everyone has a physical mailbox. Capture their interest with something tangible instead of an ad they can skip or scroll by or an email that could get flagged as spam or deleted.

## DIFFERENT STROKES

Consumers react differently on different channels when interacting with brands. The latest research from the [2022 Email Marketing Benchmarks Report](#), shows that the average open rate for email is 21.5% and our State of Direct Mail Consumer Insights report shows that 72% of consumers say they read direct mail immediately.



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SCAN THE QR CODE TO SIGN UP

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**1** **Jane, let's get started today.**

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## BEST PRACTICES FOR DIRECT MAIL

- 1 Personalization:** Get your prospects' attention with personalized messages, local context, and an exciting design
- 2 CTA & offer:** Provide a compelling offer and a clear call-to-action, like visiting a website or going into a store
- 3 Tracking:** Ensure you have tracking in place through custom QR codes, pURLs, or UTMs in URLs to accurately track conversions. Direct mail should never be in a silo. Track, measure, and bring data back into your CRM to optimize future campaigns
- 4 Branding:** Make it easy for the recipient to know who's mailing them by including your logo and other brand elements
- 5 Create a sense of urgency:** Motivate your recipient to take action by conveying a sense of urgency so they take action immediately



# The results of direct mail add up

It's increasingly hard to get in front of your ideal customer due to changes in technology and digital marketing. That's why modern marketers are doubling down on offline channels instead of a digital-only strategy.



## 67%

of marketers agree that **direct mail delivers the highest ROI** of any marketing channel they use ([Source](#))

## 17 days

**Direct mail's lifespan** compared to a two-second view of an email ([Source](#))

## 4.4%

Direct mail's response rate compared to .12% for email ([Source](#))

## 21%

**less cognitive effort to process direct mail** than digital media ([Source](#))

## 76%

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

## 53%

Consumers spend an average of \$61 a month on premium subscription services to avoid digital ads. **53% report using an ad blocker** to avoid them. ([Source](#))

# Your marketing playbook for direct mail acquisition campaigns

Let's explore how to expertly use direct mail for these marketing efforts. When it comes to direct mail, there are four main components to consider:

- **Customer lists**
- **Offer**
- **Creative**
- **Printing and delivery**



## Customer lists

Most email marketers would scoff at the thought of buying lists for marketing campaigns but in direct mail, this practice is a common one that drives results.

Will Spero, CEO of Mailers Haven, offers some advice on buying lists by saying, "Usually, about 60% of the response to the mailing is due to the list, so it's crucial."

### POPULAR LIST SERVICES:

- Mailers Haven
- ListSource
- Melissa
- TowerData
- DirectMail.com
- Data Axle USA (formerly InfoUSA)

"You can take an existing list and run it through an algorithm to help you identify lookalike audiences—potential recipients who share demographic or behavioral traits with your list. To run a lookalike report at the national level, you need 10,000 people; at the local level, you'd need 3,000," advises Spero. Another option is regression analysis, which scores your list and can tell if a particular group of prospects is more likely to respond than an average prospect."

An industry-standard rate of return is 1% when buying lists, though restaurant mailings offering a BOGO (buy one, get one) deal can see conversion rates as high as 10%.



## Dos and don'ts of sending direct mail with purchased lists:

### DO

#### A/B TEST

Test your acquisition campaigns to hone in on what elements drive conversions. One of the easiest elements to test without requiring personalization is the offer. Test if a discount in the form of a percent off or dollar amount drives action.

#### INVEST UPFRONT

Make a great first impression by investing in quality paper stock, using a professional designer, and providing a seamless experience for your prospect to take action, such as using personalized URLs, custom promo codes, or adding QR codes.

#### HAVE A PLAN TO SCALE

When your A/B experiments prove what direct mail elements work, be ready to scale up your mailings to increase conversion and ROI.

### DON'T

#### ANNOY YOUR CUSTOMER

Make sure the offer is worth them taking action. A small percent or dollar amount off a first-time purchase won't convert people. Start big and scale back as you see results come in.

#### PANIC WHEN MAIL IS RETURNED

Even the best lists have delivery rates of 95% (consumer) and 90% (business). If mailings are coming back, you're most likely still on target. Though an easy way to ensure your mail is deliverable is to run your list through [Address Verification](#).

#### MAKE THE ATTRIBUTION WINDOW TOO SHORT

Direct mail has a longer life than digital assets so allow time for your mailing to reach mailboxes and form prospects to take action.

### PRO TIP:

Direct mail is **shared**. Refer-a-friend campaigns can be a great way to reach new audiences through your existing customers. It's a win-win. You increase your customer LTV and acquire a new customer.





## Offer

Besides the list, the offer is an essential part of your direct mail. The incentive has to catch the recipients' attention and encourage them to take action on it.

### TOP-PERFORMING OFFERS FOR DIRECT MAIL ACQUISITION CAMPAIGNS:

- Free trial
- Free shipping
- A discount
- A gift or free item with a purchase



While crafting your offer, you'll also want to make sure you can attribute these new customers to your direct mail campaign. According to the [2022 State of Direct Mail](#), here's how marketers are tracking conversions via direct mail:

# 52%

track individual customer activity within a specific time

# 48%

use personalized URLs (pURLs)

# 45%

use QR codes

## Creative

The offer is what will get prospects to take action, but the creative is what catches their attention.

### DIRECT MAIL CREATIVE BEST PRACTICES

- **Design:** There are several components to consider with your direct mail design, such as:
  - **Colors:** Bold, bright colors are trending both amongst designers and those checking their mailbox
  - **Size:** 6" x 9" postcards are ruling the marketing mailing world
  - **Imagery:** Unlike writing acquisition campaign landing pages for search engine bots, direct mail is sent directly to humans. Tap into the power of facial pareidolia, the human experience of seeing faces in everyday objects, to draw attention to your mail
- **Personalization:** Add personalization such as the recipient's name, location, or offer.
- **Copy:** Use the AIDA (Attention, Interest, Desire, Action) model to guide your copy and keep it relevant and to the point.
- **CTA:** Your call to action should be specific about the next step the prospect should take, offer value in the CTA, and invoke FOMO, such as adding an expiration date.
- **Social proof:** 90% of prospects say customer reviews impact purchase decisions, and 89% of marketers say that customer testimonials and case studies are the most effective forms of content for influencing purchases ([Source](#)). Include ratings or reviews, or tell people where to find reviews of your products on your mailing.



Get inspired to create your next incredible campaign by viewing our collection of [best direct mail campaign designs](#).

## Printing and delivery

The final step of sending out your acquisition campaign is printing your mailpiece and getting it out for delivery. While you could work with a print partner directly and then arrange for delivery, time-savvy marketers are turning to companies like Lob, that handles printing and delivery for them.

We discussed fixed pricing as a benefit of direct mail, and modern direct mail services are keeping costs low by bundling printing, postage, and delivery into one service cost. Another way to keep acquisition costs down is to validate the addresses on your list with Address Verification so you're not sending out mail that is undeliverable.

### PRO TIP:

Maximize your brand's presence in a prospect's mailbox using the USPS's Informed Delivery service. Informed Delivery is a free service that provides an email preview of a person's incoming mail. For businesses, you can integrate a digital component to your mailing, so consumers who use Informed Delivery not only see the scan of your mailpiece but can also click an image in their email and visit your website to enhance their journey.





# Real-life direct mail acquisition strategies

Direct mail is an effective channel for customer acquisition no matter your industry or if you're in the B2B or B2C space. Let's take a closer look at successful use cases to learn how modern marketers use intelligent direct mail to achieve their customer acquisition goals.

## Telecommunications giant improves acquisition campaigns by automating the direct mail channel in its marketing network

Direct mail marketing is a tried-and-true channel for many modern brands, 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 was able to 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.



# 80%

increase in campaign ROI



# 85%

decrease in operational costs





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

iExit is a free travel and map app for road trippers and provides information about highway exits so travelers know where they can fuel up, get some grub, or find overnight accommodations. Their business model operates on advertising revenue through business sponsorships for these exits but it was proving impossible to find the business owners' digital contact information in order to sell them a sponsorship.

iExit had to change lanes and bring in direct mail to reach their target audience through business mail, not the inbox.

### A/B testing driving better results

Postcards got their prospects' attention, but letters proved to close deals faster. By A/B testing the form factor of the direct mailpiece, as well as messaging and personalization, iExit found the winning formula. Through conversations with prospective customers, the iExit sales team learned what questions were commonly asked and decided to add that to their direct mail campaigns. Metrock says, "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."

That 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

Metrock's acquisition campaigns are essentially self-running, thanks to direct mail automation which continues to drive predictable and profitable results.

[Learn more about their success story.](#)

"Our sales methods couldn't scale in any form or fashion. We came across Lob and the light switch for direct mail came on. Not only could it scale, but direct mail was profitable right off the bat.

**We tested a postcard campaign with Lob and got immediate results with an Annual Recurring Revenue ROI of 155%."**

**Evan Metrock,**  
iExit Founder and CEO







## Included Health uses direct mail to improve its marketing performance health

Included Health is a healthcare company that provides comprehensive services, including primary care, urgent care, and behavioral healthcare. By using trigger-based actions, such as prospective members starting a new job or moving to a new residence, Included Healthcare could send targeted direct mail campaigns to these segments of their audience.

Included Health is very proactive with offline marketing as 20% of its members do not have email addresses. The results of the direct mail acquisition campaigns proved that this marketing channel was reaching the right prospects with the right message.

[Learn more about their success story.](#)

# 6.5%

engagement rate with direct mail

# 2.87%

average activation rate across a variety of campaigns

# “Direct mail has a higher engagement rate as we can reach people at home.”

**Brian Bojan,**  
Included Health Senior Marketing Manager

# Acquire customers by adding direct mail to your marketing workflow

Take a page out of this eBook and add **intelligent direct mail** to your acquisition campaigns to find success like iExit and Included Health did.

One piece of the direct mail puzzle is finding the right partner. Lob modernizes direct mail by streamlining and automating the process, including printing and delivery. What used to take months to get out the door can now be done in days so you can provide a timely offer in your acquisition campaigns.

**Get a demo and learn how to turn your direct mail into intelligent mail to acquire new customers and get results.**

## 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)**