

CASE STUDY

The Intelligence Behind NEXT'S 4x Increase in Campaign Performance

THE CHALLENGE

Scaling direct mail efficiently and profitably

NEXT wanted to use technology to engage and connect with prospects and customers more efficiently. NEXT's vision is to help small businesses thrive. One way it accomplishes that is to help people get information about insurance options quickly and affordably.

NEXT began doing customer acquisition campaigns primarily using search and digital ads. But, for a company that protects real-world assets and people, it was time to bring a physical touchpoint to its strategy. It was time to integrate digital with direct mail marketing. Direct mail was a new channel that needed to prove its value. The first goal was to demonstrate that direct mail was a profitable channel and that NEXT could make it work.

“ When I started direct mail at NEXT, I had colleagues who were like, why are we sending direct mail? Why are we using this old-school channel? We made the case that people are responding to direct mail, especially in financial services and insurance. These are considered purchases, and can warrant a heavier touch.”

Tim O'Brien, Head of Direct Communications

NEXT



BACKGROUND

Based in Palo Alto, CA

Industry: Insurance

nextinsurance.com

KEY RESULT

4x

increase in campaign performance

CHALLENGES

- Scaling direct mail
- Attribution

NEXT is an online insurance provider. As an InsurTech, NEXT specializes in business insurance for small businesses, from restaurant owners, general contractors, personal trainers and many more.

Lob

Get a demo



When we mailed someone around a specific time that may be important to them, our response rates were **four times better than** if we mailed them in a typical campaign.”

Tim O'Brien, Head of Direct Communications.

THE CHALLENGE

NEXT made a big bet on marketing technology by investing in a customer data platform (CDP) to tie all of its different types of communications to customers and prospects together. The investment would help NEXT better understand what it was sending and how people reacted.

After investing in a CDP, NEXT needed a way to send out direct mail. Enter Lob, intelligent direct mail. Lob allowed NEXT to use technology via Lob's APIs to plug in and send direct mail campaigns quickly, easily, and effectively based on customer or prospect behavior. After getting up and running with Lob, NEXT demonstrated direct mail was profitable and could scale.

THE RESULTS

“One of the things we were trying to figure out was what's going on in a business's lifecycle. Depending on what stage a company may be in helps us determine if it's a good time to target someone,” says O'Brien.

“If somebody gets a quote but doesn't purchase right away or they don't provide enough information in that quote, we'll follow up with a letter. So we're using direct mail at different stages in the relationship that we're trying to develop with them.”

NEXT knew they had unlocked something powerful, “when we mailed someone around a specific time that may be important to them, our response rates were four times better than if we mailed them in a typical campaign. So there's something about using timely data and getting a message to someone faster.”

O'Brien continues, “those campaigns have done very well for us. My quest in the future is to define more data sources for other industries we're pursuing.”

NEXT is still testing different touchpoints in the customer lifecycle, but based on prior experience, it has helped improve response rates anywhere from 10 to 15 percent.

KEY RESULTS

10-15%

Improved response rates

4x

increase in campaign performance

Premium results for NEXT Insurance

NEXT can now connect email behavior to direct mail behavior to onsite digital behavior enabling it to see which audience members take specific actions. To further maximize its marketing budget and ROI, NEXT plans to send letters to people engaged with its emails.

“We’re trying to be as efficient as possible... and reduce spending by being strategic and using direct mail with those higher value prospects, as opposed to spraying and praying.”

Tim O’Brien, Head of Direct Communications.

**GET NEXT.
MAKE SURE YOU
AREN'T PAYING
TOO MUCH.**

CONCLUSION

Automation has saved NEXT’s team the time allocated for standard mailings so that they can focus on experimentation and optimization. No channel is a silver bullet to getting results. It’s all about strategically using your channels to deliver an engaging, connected, memorable customer experience.

NEXT has plans to continue testing new data sources that can be used to target specific cohorts and segments of its audience. “We’re going to be testing a marketing qualified lead program for one of the industries that we support where we’re offering free content via Facebook in exchange for their email address.

The plan is to nurture those relationships using email and then send direct mail after prospects provide their physical address, or if we append their address.”

What’s next for NEXT Insurance

NEXT is also in the process of testing different form factors. Instead of only letters, NEXT is testing self-mailers, various envelope sizes, and postcards to stand out in the mailbox and increase response and conversion rates. In addition, NEXT is testing buckslips. “Having more real estate is a must. I’m trying to convince someone they need insurance and convince them to use NEXT. That buckslip is helpful, and there was a lift in response on our buckslip test,” he told us.

Lastly, NEXT plans more attention to modeling, which they launched this year and has already shown positive ROI. “If you can use the data you have and model off that, that’s key to staying efficient.”

Set up your [direct mail insurance campaigns](#) for success by downloading your copy of the complimentary eBook: [The Modern Marketer’s Guide to Intelligent Direct Mail: Insurance Industry Edition](#) and listen to our [on-demand insurance industry focused webinar](#).