How thredUP increased ROI 128% by A/B testing direct mail

THE CHALLENGE

A/B testing for reactivation

thredUP wanted to reactivate customers that had not purchased in the past year. thredUP wanted to understand how a physical touchpoint like postcards would affect purchases and see which messaging worked the best.

THE SOLUTION

thredUP segmented its churned customer base into two cohorts: those who subscribed to email and those who had unsubscribed from emails. The team wanted to see if the additional touchpoint of direct mail would influence the email subscribers' propensity to purchase and, for the unsubscribers, serve as a way to reach an audience they could no longer email.

Using intelligent direct mail from Lob, thredUP was able to personalize and customize each direct mailpiece to its audience. Each postcard had the same front side and a different creative on the backside.

THREDUP

BACKGROUND

Customer since 2017
Industry: e-Commerce
thredup.com

KEY RESULT

128% Higher 1Y ROI
vs. control group

2.5X more orders
vs. control group

CHALLENGES

· Churned customers
· Minimal insights around creative and offers

thredUP is transforming resale with technology and a mission to inspire a new generation of consumers to think secondhand first.

KEY RESULTS

128%

Higher 1Y ROI
vs control group

2.5x

more orders were yielded
vs control group

Lob

Get a demo

> "We learned a lot in a short amount of time, and direct mail is going to be a permanent piece of our strategy moving forward."

Brittany Reano, Senior Manager of Growth Marketing

THE SOLUTION

thredUP also wanted to use this test to learn if its churned audience would respond better to a personalized message from its CEO or the value props of thrifting.

Additionally, thredUP chose to offer a 45% discount.

For the control group, thredUP took another subset of the unsubscribed cohort and looked at its behavior over the same amount of time compared to the people who received the direct mailer and the number of orders, conversion rate, and profit to compare against the test cohorts.

THE RESULTS

The letter from thredUP's CEO outperformed the reasons to thrift making it the clear winner of the test. The unsubscribed group outperformed the subscribed group for both creatives. In the future, thredUP will use direct mail to communicate with its email unsubscribers.

The team also looked at Average Order Value (AOV). AOV was higher for the direct mail group than the control group, and AOV was slightly lower for the subscribed group meaning the unsubscribed cohort beat subscribed in almost every metric.

Version A — CEO letter

128%
Higher 1Y ROI
vs control group

2.5x
more orders were yielded
vs control group

Version B — 3 reasons to thrift

121%
Higher 1Y ROI
vs control group

64%
more orders were
yielded vs control group

Lob   [Get a demo]

THE FUTURE

A new look for thredUP's marketing strategy

thredUP plans to continue using direct mail as an essential driver of ROI and revenue as part of its overall marketing strategy. "When we started this relationship, we needed to get some postcards out to reactivate customers. Other than that, we knew we needed to test different strategies to figure out the best way forward," said Reano.

TESTING, LEARNING, OPTIMIZING

thredUP has multiple tests planned to continue its learning and optimization process. In the fall, thredUP will test "on figure" imagery versus flat lay imagery. The team also plans to continue testing highly customized direct mailpieces triggered based on customer behaviors, including liked items, recent purchases, and abandoned cart items.

Lob makes it seamless for thredUP to send automated, triggered campaigns that reduce

manual effort and increase efficiency while generating better responses and higher ROI.

Lastly, based on the performance of the CEO letter creative, the team is also exploring testing more handwritten-looking creatives for a personal touch.

thredUP is using direct mail with style to drive conversion success. Discover how you can get results using intelligent direct mail campaigns from Lob.

Lob
Connecting the world, one mailbox at a time.

Get a demo

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's automated direct mail marketing at: Lob.com