Personalization

Lob

Introduction

Think about the best relationships and experiences you have. Chances are they are meaningful, relevant, and personal. Think about how personalization manifests itself throughout our daily lives...given the choice would you go on a mass group tour or a private tour curated just for you? VIP or with the masses? An Airbnb fully stocked with your favorite snacks and beverages or a hotel mini bar with random choices?

Now, think about how you respond to emails, ads, and direct mail...do you open and click on every email you get? Of course not. But the messages and ads you click on likely draw out a reaction in you because the content matters. Maybe it's an offer for that tent you've been wanting to take camping this summer, or perhaps its a retargeting ad for those trainers you want that seem to be following you all over the internet until you finally cave. Your response isn't surprising because these messages and ads have been triggered by your behavior and are personal.

The brands that are doing personalization well not only stand out from the competition but deliver the results they need to grow and position themselves as leaders in their categories. They deliver ROI and revenue and create the kind of memorable customer experiences that consumers crave.

67%

of marketers say that direct mail has the highest ROI of any channel they use.

In this new world of disconnected connections how do you create personalized experiences?

This Marketer's Guide to Personalization will serve as your road map to creating personalized customer experiences through direct mail to acquire new customers, retain existing customers, and increase loyalty, lifetime value, and ROI.

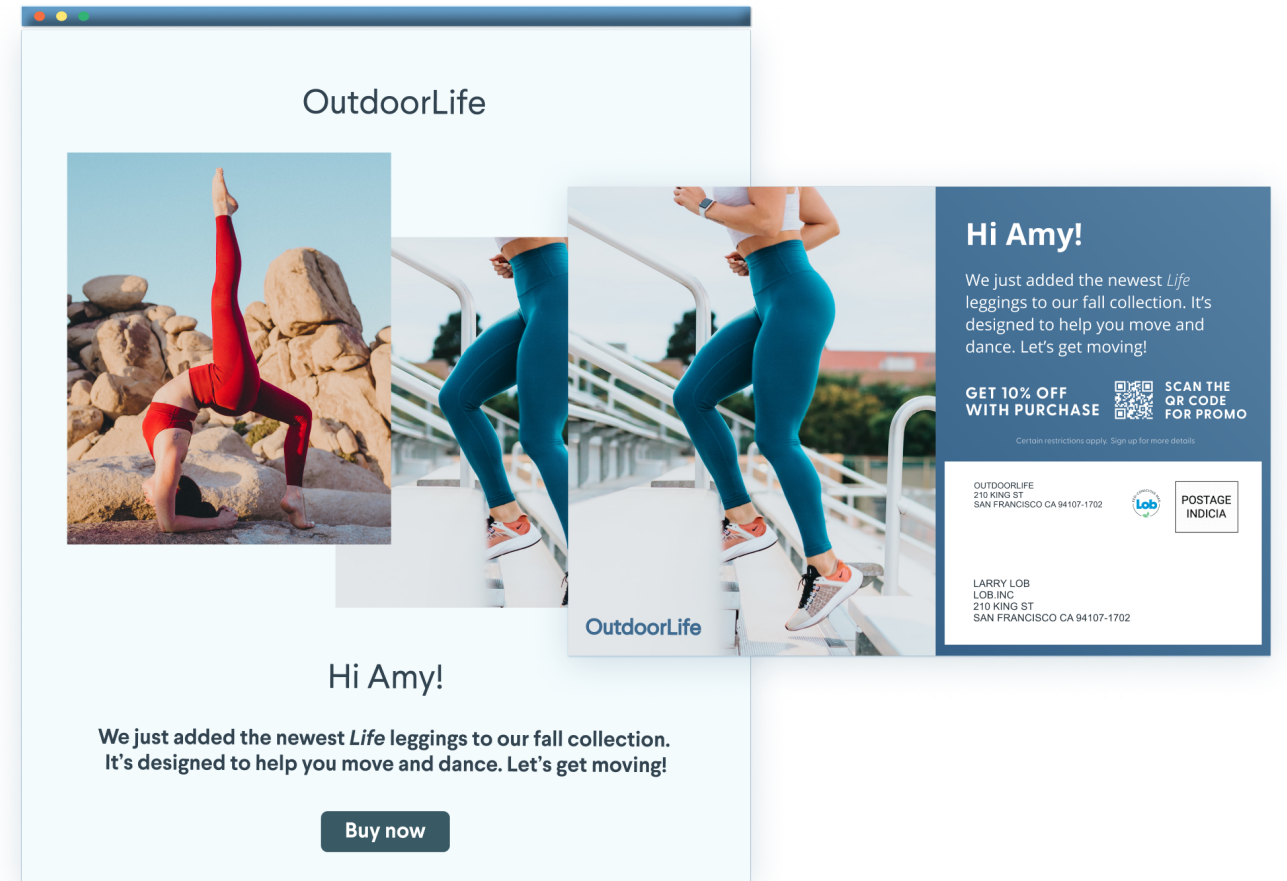# The importance of personalizing marketing content

Personalization is key to engaging consumers in today's marketplace. Personalization is proven to increase response and conversion rates.

Personalization is relevant for all your marketing channels including direct mail. Research shows that personalizing direct mail consistently increases response rates. For example, a RIT study on the effectiveness of color and personalization found that just adding the recipient's name to a mailing **boosted the response rate by 44%.**

Further personalization boosted results even more. When the mailing was printed in color with the recipient's name and additional personalized information, the response rate rose 500% — **5 times more effective** than a non-personalized, black-and-white mailing.

Consider these stats:

91% of consumers are more likely to shop with brands that provide offers specific and relevant to them.

80% of customers are more likely to purchase products or services from brands that provide personalized experiences.

79% of consumers are only likely to engage with a brand's offer if that offer has been personalized to reflect previous interactions that the consumer has had with the brand.

OutdoorLife

Hi Amy!

We just added the newest *Life* leggings to our fall collection. It's designed to help you move and dance. Let's get moving!

Buy now

Hi Amy!
We just added the newest *Life* leggings to our fall collection. It's designed to help you move and dance. Let's get moving!

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71% of consumers, on average, feel frustrated when a shopping experience is impersonal.

36% of consumers believe that brands should offer more personalization in their marketing.

40% of consumers are more likely to view items recommended based on information they have shared with a brand.

Personalization levels up

The connection personalization makes isn't just emotional — it translates into value. You know that personalized direct mail provides a lot more ROI than traditional static mail.

When digital and direct mail is combined, marketers see:

40%
conversion rates

53%
increased leads

68%
increased
website visits

63%
increased
response rates

The **2022 State of Direct Mail** shows marketers benefit from personalization across all industries:

8 in 10

enterprise companies surveyed send some sort of personalized direct mail

46%

of respondents in eCommerce report sending personalized offers and coupons.

Over

50%

personalize both letters and postcards, as well as the text of their direct mailpieces

The Modern Marketer's Guide to Personalization

The Modern Marketer's Guide to Personalization

Direct mail delivers outstanding ROI

Investing in personalized direct mail means making your best channel even better.

Enterprise marketers are using direct mail throughout the customer lifecycle, from generating demand to mitigating churn to winning back dormant customers.

Here's how usage breaks out:

29% Existing customer retention

27% New customer acquisition

22% Advocacy and referrals

21% Winback campaigns

Manual, time consuming workflows limit personalization options for direct mail marketers

While marketing leaders know the value of direct mail personalization, many companies are unable to execute personalized direct mail because of legacy workflows. Mail is processed in batches, and campaigns that can take weeks or months to get out of the door. These legacy workflows undermine personalization, both by limiting how much content can be customized, and by preventing marketers from triggering mailpieces based on customer actions.

Response rate, personalization, and workflow complexities are top challenges when executing direct mail campaigns. However, none of these challenges are inherent to direct mail. For marketers who understand that they no longer have to settle for complicated legacy workflows and manage print and delivery networks, upgrading their mail capabilities presents an incredible opportunity to connect with customers in ways their competitors can't.

4 steps to personalization at scale

Many of the strategies and tactics you use to personalize your digital marketing including email apply to direct mail.

Direct mail supports most of the capabilities of digital channels, including:

- Automatic sending
- Template-based design
- Timed deliveries

- Unlimited customization
- Tracking deliveries and responses
- A/B testing

Direct mail also has a few special characteristics that set it apart from digital, providing opportunities for savvy marketers:

- **Geographically based:** Because direct mail is sent to a physical address, you know where the recipient is going to be when they open your mailpiece. We'll discuss how to use that to your advantage.

- **Tangible:** Direct mail provides the recipient with something tangible they can hold onto. Sending thoughtful thank you cards, clever messages, or mailpieces with beautiful or novel design can make a more lasting impression than an email.

- **Form factor customization:** While digital channels like email allow you to customize the content, direct mail lets you customize the form factor as well. Lob offers a broad range of form factors, including multiple sizes of postcards, letters, folded self-mailers, card affixes and bifolds.

STEP 1. CHOOSE THE RIGHT TECH STACK

The right tech stack won't just save you time. Many will track and centralize customer data across multiple channels providing you the ability to leverage data to optimize every touch point and create a memorable customer experience. Having an integrated tech stack enables you to break free of limitations and barriers that have held marketers back in the past. Modern marketers depend on modern tools and technology to push the boundaries get results.

Most enterprises use customer relationship management software like Salesforce and a marketing automation platform like Marketo. For automated direct mail, Lob is the industry leader for the Fortune 500 and today's largest senders of direct mail.

Lob seamlessly integrates with the other tools in your tech stack to allow you to trigger cleansed mailpieces from your most-used and beloved tools.

STEP 2. USE POWERFUL CUSTOMER DATA

Consumer data is the key to personalization. Simply put, the more you know about a consumer, the more you can customize your marketing and direct mail to meet their tastes, needs, and challenges. Your company likely already has the personalization information you need, in your sales and marketing assets, such as:

- Customer data sources: CRM, marketing automation platforms, and other databases

- Contact lists: email, mailing lists and sales contacts

- Online behavior tracking: Browser behavior and customer purchases

Your goal is to form as complete a picture as possible of your customers. Demographics, previous purchases, interests, contact history and other data you have will enable you to personalize your direct mail campaigns.

thredUP tried Lob as a solution to automate their direct mail retention campaigns. Using Lob's HTML templates, thredUP began sending postcards to existing customers that had the potential to churn. The postcards featured images and recommendations based on customers' previous purchases, along with discounts.

All the content was dynamically populated, from the brand suggestions and images down to the expiration dates on the discounts. That meant thredUP could completely customize each postcard to the customer's purchase history automatically, without the need for redesigns, requirements gathering, or other time-consuming tasks.

"We've seen 25% increase in order rate from the customers that we target with Lob campaigns."

Anthony Marino, *President*

THREDUP

That doesn't mean every campaign needs to involve deep customer insights. You can get excellent results just by targeting customers based on their most recent purchase. But having extensive customer data enables you to better segment, target, and personalize your mailers.

The more you can tie in your personalization to the geography and community of your recipients, the better. Personalized direct mail can tie in with local stores, regional sales reps, community pride, and even the customer's own home to drive results.

Imagery sells

Inside Real Estate has used direct mail personalization extensively to form community connections — for example, by sending branded postcards to neighbors when a neighbor lists a home. But the success of their program isn't based on smart targeting alone — the company also makes heavy use of personalized images to make a connection with customers. For example, when prospective sellers register, the company sends them a postcard with an image of the seller's home. At the same time, they follow up via text, giving the lead multiple ways to contact their company.
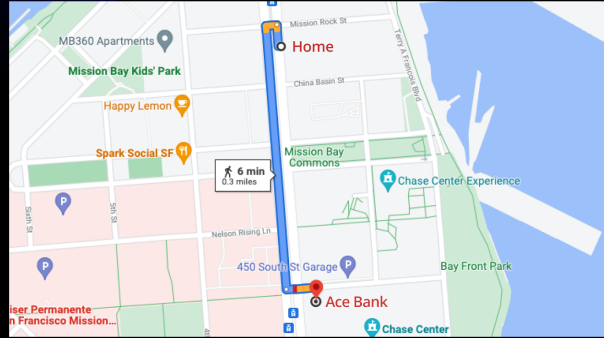
Localization

Geographical personalization provides an excellent way to help leads and customers connect with the company. Direct mailpieces can be personalized with images and addresses of local stores or offices, or images and contact information of local sales representatives.

You can also tap into regional pride or local events. For example, a snack company might send out offers and coupons to fans of a particular team a few days before a big game. They could even incorporate team pride into the wording of the offer codes — for example, incorporating the team's color or slogan into discount codes and URLs (e.g. GOGATORS!12345).

Once you've identified the data you need, you can begin to trigger personalized direct mail campaigns as part of your omnichannel marketing strategy. The triggers can be virtually anything, including significant dates, time intervals, customer purchase, and other customer actions, Here are a few ideas:

Customer-triggered retention campaigns

There are a lot of signals that a customer may be ready to churn. By tracking factors like purchase intervals, you can spot customers in danger of churning, and trigger direct mail campaigns to boost retention.

Body-positive lingerie company, ThirdLove built a sophisticated direct mail retention campaign based on a very simple trigger: email unsubscribes. When a customer unsubscribes from its email list, ThirdLove automatically adds the customer to its mailing list. The customer then receives customized offers and recommendations, based on their purchase history.

It turns out that just because a customer doesn't want emails, doesn't mean they don't want to be contacted. In fact, email unsubscribers turned out to be ThirdLove's most responsive group.

Another example is thredUp. The flexibility of Lob's workflow enabled thredUP to test a variety of form factors, send times and content, to find what worked best for its customers. Its retention campaign now uses 9"x6" postcards, targeted towards customers who have made between one and seven previous purchases. If the customer becomes inactive for 30 days, thredUP automatically sends the customer a custom postcard and a discount offer using Lob.

The results? A seamless and scalable workflow they couldn't get from commercial printers.

Follow up across channels

For industries with complex sales cycles, direct mail remains a crucial, but challenging channel. A well-timed postcard can make a sale, but companies with manual direct mail processes often struggle to send mailpieces in time, or are forced to focus only on a few choice leads.

Automating personalized direct mail lets you apply the signals your sales team already looks for, more consistently, in a scalable solution.

In 2014, real estate CRM and lead-gen Kunversion+ (which has since merged with Inside Real Estate) came to Lob when their manual direct mail program became too much of a bottleneck. While postcards were getting great results, they took so much time to create and send.

Lob's automated direct mail platform enabled them to scale up their outreach, meaning they could contact more leads with less time and lower cost. They even built additional outreach tools, which wouldn't have been feasible with manual processes. One tool, Listing Machine, collects info from prospective sellers, and sends follow up texts and postcards automatically. Another, Nosy Neighbor, capitalizes on sellers by targeting their neighborhood. When someone lists a house, the tool sends postcards to their neighbors, branded and customized with the name of a local real estate agent.

Personalization for results

Personalization supercharges your marketing efforts by increasing response and conversion rates. Lob is here to help you personalize at scale. From acquiring new customers to mitigating churn and increasing CLTV, Lob can help you drive ROI with personalized, automated direct mail campaigns.

Contact us to get started.

About Lob

Lob is the only direct mail automation platform that enables businesses to transform campaign ROI and employee productivity. The Lob platform simplifies workflows by automating the entire direct mail process - from creation, printing, postage, delivery, and sustainability with end-to-end analytics and campaign attribution. Over 10,000 businesses rely on Lob to send more than 700 million pieces of mail through the platform.

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

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