

PROGRAMMATIC MAIL

**DISCOVER THE NEW
CONVERSION CHANNEL**





CONTENTS

YOUR DEDICATED MEDIA SPECIALISTS

Royal Mail MarketReach have a team
of experts in Programmatic Mail.

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4

FOREWORD

6

OVERVIEW – PROGRAMMATIC MAIL

12

PROGRAMMATIC MAIL IN ACTION

8

WHY MAIL WORKS IN THE DIGITAL AGE

16

CASE STUDY – JD WILLIAMS

10

**PROGRAMMATIC MAIL
WHAT IT'S GOT AND WHAT IT'S NOT**

18

**GETTING STARTED
WITH PROGRAMMATIC MAIL**

FOREWORD

MIKE COLLING
CEO, MC&C

Direct Mail (DM) was the original data driven media channel. We have always known who we have written to, and the products or services they are interested in and might buy. This data richness has proved effective over the decades and built mail into a highly targeted and highly accountable communications channel. At the time of writing, it's the third largest in the UK; last year, advertisers spent £1.2 billion on DM in the UK¹.

But over the last decade, digital media has gradually eroded that historic advantage. Why? Because digital channels can often provide data insights that tell an advertiser not just who they are talking to and the products they might buy, but also deliver the crucial, additional insight that these consumers are in market right now.

Turning interest into sales is one of the most pressing issues for marketers.

One thousand consumers visiting a website often only results in around 20 sales.

98% of prospects show interest but don't buy². Until now we have only been able to use this information and insight to drive digital media buys - serving emails, videos and display ads to the right consumer, who is exhibiting the right behaviour right now.

But all that is set to change. And that's what this guide is about. Welcome to Programmatic Mail. The targeting and delivery of physical mail can now be linked directly to consumer behaviour within the digital sales funnel. Using permissioned, first party data, we can now send individually targeted direct mail to non-converting web visitors – often the next day³, but within 48 hours.

We know that well targeted mail is well received by consumers; they spend 16 minutes on average reading it⁴. All of which explains why we see response rates of 1% or more in DM, that's around 100 times higher than response rates in digital display⁵.



Programmatic Mail now builds on the love consumers have for mail, and makes them love it all the more. Because now it's not just for them, it's for them at the right time, which explains why we see Programmatic Mail response rates of 10% and more and uplifts in conversion of around 14%⁶.

This is why I agreed enthusiastically to write the foreword to this guide. I urge you to read it. If you already use mail, this will make your mail investments even more effective. If you only use programmatic for digital, then try mail. The incremental sales will make your day!

MIKE COLLING
CEO, MC&C

¹ Nielsen 2016 ² Mike Colling and Company ³ Data must reach printer by midday Mon-Fri ⁴ TouchPoints 2016 ⁵ Mike Colling and Company clients ⁶ GI Solutions and JD Williams case study

OVERVIEW

PROGRAMMATIC MAIL

In today's fast paced world, marketers always seek a competitive edge. That's why the cost and performance advantages of programmatic media has driven widespread adoption. Programmatic style approaches are now gaining rapid ground in other media channels, like broadcast, print and out of home media. And as programmatic techniques shift beyond simple automation, we see them combine with the consistent strength of mail to produce a new hybrid – Programmatic Mail.

The smart way to deliver highly targeted, relevant mail in real-time, it combines the tangible and emotional impact of mail with bespoke messaging. Programmatic Mail has already been creating quite a stir in the US thanks to the outstanding results it delivers.

Programmatic Mail is direct mail triggered by a fully permissioned customer action. And that trigger is always a customer interaction at a key point in their digital journey.

This guide goes on to explore the workings of Programmatic Mail in greater detail, but the key advantages include:

SPEED

You'll have a highly impactful direct mail piece in your customer's hands often inside 24 hours, but within 48.

DRIVES RETURNS

Campaigns with mail have a higher return on investment than those without mail.

BUILDS ON EXISTING RELATIONSHIPS

Programmatic Mail builds on existing relationships, making recipients feel more valued – and more likely to respond.

RELEVANCE

Programmatic Mail is always relevant to its recipients – because we know they've already shown interest in its content.

DATA VALUE

You can easily build and test data models that help you identify which online behaviours are the most powerful programmatic triggers for your business. For example, attention paid to particular content, dwell time on pages, frequency of visits, pattern of pages visited, and so on.

The JD Williams case study on page 16 confirms these advantages.

One key take-out is that:



**ABANDONED BASKET RATES
WERE REDUCED OVERALL
BY 14%**

“PROGRAMMATIC MAIL IS AN EXCITING NEW DEVELOPMENT FOR MARKETERS. IT ENABLES DIGITAL AND DIRECT MAIL TO WORK SEAMLESSLY TOGETHER AND COMBINES ONLINE AND PHYSICAL CHANNELS IN A WAY THAT IS LIKELY TO SIGNIFICANTLY IMPROVE ROI.”

MARK CRIPPS

EVP, Brand and Digital Marketing, The Economist Group

WHY MAIL WORKS IN THE DIGITAL AGE

With all the attention on digital, it's worth noting the underlying characteristics of mail that make it such an effective medium.

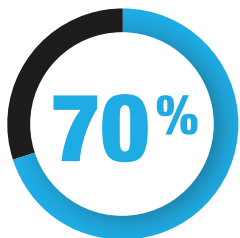
Mail has always been popular with marketing professionals. Adding mail to the marketing mix can boost ROI by 12%.⁷ Why should that be?

The answer lies in the physical and emotional reactions mail can provoke:

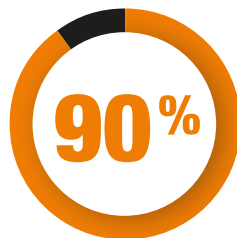


**ADDING MAIL TO THE
MARKETING MIX CAN
BOOST ROI BY 12%**

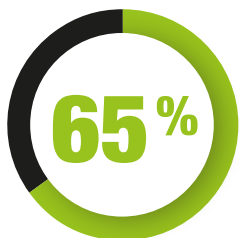
⁷ Royal Mail MarketReach, BrandScience 2014: advertiser cases including mail versus cases without mail



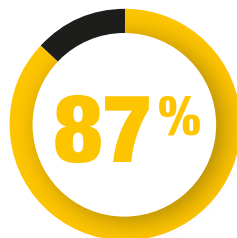
**OF PEOPLE SAY THAT MAIL,
RATHER THAN EMAIL,
GIVES THEM A BETTER
IMPRESSION OF A COMPANY⁸**



**OF CONSUMERS OPEN
AT LEAST SOME OF THEIR
MAIL IMMEDIATELY⁹**



**OF PEOPLE SAY THEY ARE
LIKELY TO GIVE MAIL,
RATHER THAN EMAIL,
THEIR FULL ATTENTION⁸**



**OF PEOPLE ARE INFLUENCED TO
BUY ONLINE AS A DIRECT
RESULT OF RECEIVING MAIL¹⁰**

⁸ Royal Mail MarketReach, Mail in Uncertain Times, TNS 2017 ⁹ IPA TouchPoints 2016 ¹⁰ Royal Mail MarketReach, Mail and Digital Part 2, Quadrangle, 2014

PROGRAMMATIC MAIL

WHAT IT'S GOT AND WHAT IT'S NOT



PROGRAMMATIC MAIL IS:

HIGH VALUE

Low value transactions often don't merit the attention of Programmatic Mail, it's best reserved for situations with greater potential return.

HIGH IMPACT

As it combines all the stopping power of direct mail with the warmth of an existing relationship, response rates are impressive.

LOW VOLUME

It's triggered by a specific customer action. Programmatic Mail is printed and sent out as required, never en masse.

TRACKABLE

And measurable – when you add Mailmark barcoding.

Given the proven power of mail, where does the programmatic element fit in? Let's start by seeing exactly what Programmatic Mail is, and what it's not. While programmatic media is a mass-market, real-time auction for online digital inventory, Programmatic Mail works in quite a different way and only uses first party permissioned data.



PROGRAMMATIC MAIL IS NOT:

MASS-MARKET

It's actually a triggered, tailored, one-to-one communication.

INVASIVE

Or unwelcome – since it comes from a trusted source, and features content we know the customer is interested in.

UNSOLICITED

Not to be used with anyone who hasn't given you their explicit permission to communicate.

PROGRAMMATIC MAIL IN ACTION



1

A customer visits an energy company's page about moving house.



2

Their action triggers an immediate Programmatic Mail response.



3

The Programmatic Mail partner prints and mails out a pre-designed, bespoke, personal communication to that customer.

Perhaps the easiest way to understand Programmatic Mail is to look at an example.

Every Programmatic Mail initiative starts with a particular problem or opportunity, a scenario where the timely arrival of a relevant, targeted direct mail piece has a good chance of changing customer behaviour.



4

Today's digital printing allows for this quick, personalised turnaround.



5

The mail piece arrives often inside 24 hours, but within 48.



6

The arrival of the mail piece prompts reconsideration by the customer, and the decision to stay with their current tariff and take it with them when they move.

PROGRAMMATIC MAIL

IN ACTION

Programmatic Mail has many potential applications. So how might it work for your business? Here are some possibilities in different business scenarios.

A. CLOTHING E-COMMERCE RETAILERS

who are not seeing online interest convert into sales (logged-in account holder/buyer): Rather than being triggered by basket abandonment, you might choose to target customers who have spent a significant amount of time browsing one particular item on your website. Programmatic Mail would show the summer dress under consideration in lifestyle settings, along with a modest discount code or the offer of free shipping to drive conversion.

B. SUBSCRIPTION BUSINESSES

who need higher conversion rates to hit commercial targets (non-logged in visitor, opted in through an on-site pop-up or pop-under): In this example a potential subscriber has been browsing a magazine website. They've visited over five separate pages and remained on site for more than two minutes in total – behaviour that indicates significant interest in the product. Assuming permission and address data can be obtained via a pop-up or pop-under data request, Programmatic Mail can send a special offer letter direct to the individual, with a discrete subscription offer at preferential rates.

C. BROADBAND PROVIDERS

who want to decrease churn rates (logged in account holder): Analytics shows us the account holder has been viewing the “how to cancel my subscription” page. Programmatic Mail can be sent out with a discrete “win-back” offer reinforcing the benefits of the provider and giving a welcome incentive to remain on board.

D. TRAVEL COMPANIES

with late inventory to shift (logged-in previous customer): A website visitor views details of a Caribbean cruise and spends time looking at cabin specifications. So Programmatic Mail sends out an emotive “Wish you were here” postcard, complete with a cabin upgrade offer.

E. FINANCIAL SERVICES COMPANIES

wishing to cross-sell more credit card products to current account holders (account holder with permissions): Analytics shows an account holder browsing the credit card section of the online banking site – perhaps they spend time on a balance transfer page. So Programmatic Mail sends out an enhanced introductory balance transfer offer, personalised to that customer.

CASE STUDY

JD WILLIAMS

GROUND-BREAKING TEST

THE CHALLENGE

As one of the UK's leading online fashion retailers, N Brown Group constantly seeks to reduce basket abandonment rates in order to drive greater returns from e-commerce. Average abandonment rates stand at around 69%, according to research from the Baynard Institute. Basket abandonment costs UK retailers up to £1 billion in lost revenue.¹¹ Slow page load and complexity of forms are just two of the reasons customers give for failing to complete the purchase journey.

N Brown Group already had a basket abandonment remediation strategy in place for its JD Williams brand. They sent two permissioned emails to customers who had abandoned their baskets, with retargeted banner ads also encouraging reconsideration.

While their email delivered average performance, increasing use of

ad blocker software, deployed by up to 22% of consumers¹² was dampening the impact of digital retargeting.

TRYING SOMETHING NEW

JD Williams wanted to see if a new media channel could help improve their retargeting response rates. Could physical mail deliver greater cut-through than email or banner ads?

A WELL-DESIGNED TRIAL

JD Williams set up a trial with Paperplanes designed to deliver conclusive answers. That meant including the following segments:

- A control group, where abandoned basket customers were sent no follow up messaging.
- A group where customers received the existing two follow up emails.

¹¹ Marketing Sciences 1st July 2015

¹² IAB, 2017

- And finally a group where customers received both follow up emails plus an item of direct mail.

Every piece of direct mail creative that was sent out carried a picture of the item in the customer’s basket at the moment they abandoned. This was very similar to the approach taken with the emails – meaning the digital images were readily available. JD Williams’ printer simply enhanced them to easily create high resolution marketing collateral.

Contact data (address details, imagery and product details) were sent electronically to the printer on a daily basis. They could then print, finish and mail the pieces to the customer within 24 hours.

“ PROGRAMMATIC TARGETING, USING ONLINE BEHAVIOURAL DATA AND UTILISING DIRECT MAIL IS NEW. THIS INITIATIVE WORKED EXTREMELY WELL, UTILISING DATA POINTS TO DRIVE CONVERSION – BEING RELEVANT AND PERSONALISED TO OUR CUSTOMERS WAS KEY AND WE DID THAT SUCCESSFULLY.”

ANDREW SMITH

eCRM Development Manager,
N Brown Group

RESULTS THAT SPEAK FOR THEMSELVES



RESPONSE RATES INCREASED OVERALL BY 6%



THE AVERAGE ORDER VALUE INCREASED BY 8% OVERALL



ABANDONED BASKET RATES WERE REDUCED OVERALL BY 14%

GETTING STARTED WITH PROGRAMMATIC MAIL

If we consider all the advantages of Programmatic Mail, no wonder more and more companies are investigating it for themselves. The superior results are based on:



RELEVANCE



RESPONSE RATE



SPEED

Are you losing customers at critical stages in the buyer journey? Are your response rates lower than you'd like? What could you offer your customers, at the vital stages of the purchase journey, that would make them more likely to act?

We can help you use web analytics and other business metrics to identify your key opportunities, and build a test schedule to see what difference Programmatic Mail could make. And we can put you in touch with one of our Programmatic Mail partners. They can support you every step of the way from data management to using your existing assets in creative executions, before printing and mailing finished pieces out to your customers.

Now you understand the possibilities of Programmatic Mail, what's the best way to take advantage of the opportunities it brings? For most companies, the logical first step is to run a simple test programme. And that's where we can help.

Give us a call today on 0800 032 4880 and get the power of Programmatic Mail working for you.



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of experts in Programmatic Mail.

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