Welcome to The New Normal
Population - 0

Does Mail have a place in the Consumer-Driven Digital Era?

Lynn A. Noble
Manager, Strategic Account Operations
US Postal Service Headquarters
CLIENT: USPS
PRODUCT: INTERNAL VIDEO
TITLE: 2012 USPS BRAND ESSENCE VIDEO

ID: AT00-1841H
LENGTH: 1:50
DATE: 7.6.11
FORMAT: 1920x1080 HD 23.98
POST: CONTENT STUDIO / BEAST
MASTER: M4630 / DT11327
MUSIC: mdv-a_star_is_bjorn.wav
FONT: MYRIAD PRO
What’s Normal?

2008 through 2011
Marketing Exec Observations

• "Job one is realizing there is no going back to so-called normal times, there is only going forward and understanding what the 'new normal' is and then moving quickly to solutions and getting those solutions into the marketplace."

• There are not a lot of gains to be made by cutting anymore. Most of the major restructuring has taken place so companies are really looking for improved financial performance. As a result, accountability to business results and strategy have got to be more important.

• "We need to connect with consumers across channels in a meaningful way"

Source: AdAge
Technology Explosion in Media

Consumers have become empowered!
What Does it Mean?

- New Market Realities
- New Behaviors
- New Metrics
- New Channels
- New Choices
New Realities

• Consumers are always “On”.
  – The successful marketers will be “there” to meet them…wherever “there” is.

• Creativity is no longer the golden goose.
  – Targeting and relevancy are
  – (creativity only matters for industry awards, but not to the CFO or the stockholders)

• Consumers may not “start” all conversations, but they quickly take control of them and the marketer must be way out ahead or else.
  – Staying out front means you need to know the interplay between media, and be able to separate the drivers from the order-takers.

• The only people who cheer for one medium over another are media peddlers. To the customer it is - and always has been – irrelevant

It’s a Micro-Audience/Multichannel World
When calculating attribution — such as deciding which marketing activity to ‘credit’ for a transaction — more than half of the respondents attribute activity to the most recent touchpoint. If a prospect or customer saw a TV ad, received a direct mail piece, received three emails, and then searched for an item and bought it from their company, the entire “credit” for driving the sale would be allocated to the firm’s search engine marketing efforts or activity.

Only a third of marketers calculate fractional attribution through models across their activity. Far from enjoying a systematic and consistent approach to marketing measurement, marketers’ entire approach is broken.

They emphasize financial criteria, which they fail to measure in a robust and accurate manner, and then they use those findings to plan their budgets for their next campaigns.

New Metrics

Customer Engagement doesn’t always affect Customer Communication Planning

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New Channels

- Email is already considered “traditional”
- Online Engagement/Search Engine Optimization
- E-commerce/Multi-channel Merchandising
- Mobile Marketing & Commerce
- Social Media
  - Facebook, Pinterest, Twitter
- Local Marketing (e.g. Foursquare)
- Interactive Print-to-web Solutions
Digital Trends

- E-mail click-through rates in Q2 drop to the lowest level on record

- Email marketing campaigns are plagued by a lack of response
  - Little adjustment by marketers to solve the problem

- U.S. consumers will check more e-mail from their mobile devices (smartphones and tablets) than from traditional computers by the end of this year
  - 44 million smartphone users visited Amazon in March
  - 27 million visited eBay

- Facebook has over 900 million active users/$5.7 billion ad revenues

- Mobile is the next big thing, but it is still “next” (and not quite now)
Famous Proclamations

- Print is Dead
- Direct Mail is Dead
- Catalogs are Dead
- Advertising is Dead
- Newspapers are Dead
"Increasingly, the center of gravity of all media is moving to a post-HTML environment"
Reports of my death have been greatly exaggerated! – Mark Twain

Direct Mail Spending for 2012 will exceed $50 million!
Direct Mail: It Works and Customers Still Want It

• Two-thirds (66%) of online Americans have made a purchase because of an email marketing message -- and nearly as many (65%) purchased a product or service thanks to a direct mailing.
  – Marketing messages delivered via social media and mobile did not fare as well; One in five (20%) have made a purchase thanks to an ad viewed while on Facebook, while 16% have bought based on prompting from a mobile marketing messaging (16%).

• The study also finds that direct mail is the only channel where an unsolicited message isn't viewed as inappropriate by consumers.

• Direct Mail connects with young buyers, with ages 18 to 24 influenced the most.

Source: ExactTarget 2012 Channel Preference Survey
Direct Mail: Integration is Key

• Integrating Direct Mail into campaigns can
  – Boost ROI by 20%.
  – 44% lift to your local ads
  – 62% lift to online campaigns
Consumers who received both email and direct mail generally contribute more revenue per household. In terms of revenue, consumers who received both email and direct mail on average contribute about $17 in revenue and $4 in margin per household.
Catalogs and the Web
Shopping vs. Buying

Mail
- There’s no better way to shop than by catalog.
- Drive traffic to web and stores

Mobile
- Less than 20% of U.S. households with mobile phones use their carriers’ data services, which enable most m-commerce activities.
- Strong connection to retail

Web
There is no better way to buy than on the web.
- 24/7
- Instant Gratification
- Purchase receipt
- Cross/Up-sell
Clicking and Shopping

Influenced 67% of prospects to visit the site

All recipients spent 28% more

Catalogs attract new customers and increase online buyer purchase rates

Source: Catalog Study: Key Insights
Catalog and Direct Mail recipients are likely to buy, spend more and buy more often.

**Buyer Conversion by Specific Marketing Method**

- **15%** of all consumers receiving a catalog and **12%** receiving a letter, postcard and/or flyer made a purchase on the site.

- On average, recipients of a catalog spend **28%** more and buy **28%** more items than those who did not receive a catalog.

Source: comScore –Multi-Channel Mail Study
Consumers are using multiple channels to research, shop and purchase.

Catalogs are a strong traffic driver to the web.

Nearly 1/3 of consumers rely on three or more different channels (online, in-store, print catalogs, mobile devices, customer service reps) to research products and services and complete their purchase.

78% of consumers said they use catalogs to browse and discover new products and services. They use the web to narrow the search and make the purchase.

Source: ATG's Cross-Channel Commerce: The Consumer View report
Mail is Relevant

79% of households say they read or scan their mail daily.

47% of households read catalogs.

MAIL CAN HELP GET YOUR MESSAGE NOTICED AND READ.
Can an Old Dog Really Learn New Tricks?

http://www.youtube.com/watch?v=P2BfzUIBy9A
Priority Mail Flat Rate Box Campaign Case Study

Winner of:
2010 ARF Grand Ogilvy Award
2010 AMA Effie Award
2010 Mediaweb Media Plan of the Year
Iconic Competitors Dominate Category

- Competitors Hold 86% Market Share & Outspend USPS 7 to 1
- Declining Category & Share
- Plan to increase volume by 5%

Ten Consecutive Years of Share Loss for USPS

Market Share
A Campaign With a Face

- Campaign development research reinforced use of the U.S. Postal Service Letter Carrier as key performance driver

- Leverages the strength of the relationship many people have with their Carrier
Understanding what drives the brand

• Direct Mail and other response channels used to drive trial
• Ongoing performance analysis to optimize channels and vehicles
Nimble use of Digital
Landing page created to circumvent difficult areas of usps.com
and deliver desired customer experience
Augmenting the online Flat Rate Box Experience

Priority Mail Flat Rate: A simpler way to ship.

Which Box Fits Your Shipment?
Use your webcam and our Virtual Box Simulator to project box holograms onto the image from your camera. Then, compare the size of the real stuff you want to ship to the size of the virtual box on your screen.

*If it fits, it ships*®...for a low flat-rate.

See How It Works

It’s Simple. Here’s How...

Step 1 - Print a special eagle icon to trigger the hologram.

Print one now

Step 2 - Turn on your webcam.
Traditional tracking takes a hiatus

- Decision made to take hiatus from long-running tracking study
- Social media auditing used to ‘keep an ear to the ground’
Business Success – Driven by Research Commitment

**Volume Performance vs. Same Period Last Year**
- 2008 Baseline: -5-9%
- 2009 Anticipated Decline Due to Category Shrinkage: 5%
- 2009 Campaign Goal: 59%
- 2009 Actual: 11x Above Goal

**Revenue Performance vs. Same Period Last Year**
- 2008 Baseline: 5%
- 2009 Campaign Goal: 53%
- 2009 Actual: 10x Above Goal

**Package Shipping Revenue Performance Over Campaign Period**
- FedEx: -$161 Million
- UPS: -$154 Million
- USPS Flat Rate Boxes: $173 Million
2010 Leads by Media Channel

Direct Mail has accounted for 42% of total leads; over three times the number of any other channel.
Results Get Noticed

ARF’s 2010 Grand Ogilvy
2010 Effie Award Winner
Mediaweek’s 2010 Media Plan of the Year

“Outstanding example of how the Postal Service can compete with private enterprise.”
-Sen. Thomas R. Carper

“Best advertising program in 30-years.”
-U.S. Postmaster General Jack Potter
What about Social Media?
Direct Mail & Social Media

• What if your next direct response marketing campaign could produce:
  • 900% ROI (Email campaign)
  • 2x online sales (Email campaign)
  • 40% Redemption (Direct Mail campaign)
  • 280% Response (Direct Mail campaign)
Harvard Business Review: The conversation has changed between Businesses and Consumers. Is your marketing a monologue or a dialogue?

Morepace, Mckinsey, Epsilon, Neilson, and Omniture have all released studies addressing top trends:

• The power of word of mouth marketing
• Viral Peer sharing in campaigns
• Identifying your brand ambassadors and influencers in campaigns
• Knowing your numbers: Response rates, sharing activity and ROI
The Share

A personal recommendation is more influential than any advertisement, so why not equip your customers with the power to market your offer directly to their friends?

68%
Say a positive referral from a Facebook friend makes them more likely to buy a specific product or visit a certain retailer¹

90%
Trust Peer Recommendations²

14%
Trust Advertisements³

² July 2009 Nielsen Global Online Consumer Survey
The Stein Mart Story

A postcard, including a Dukky Purl, was sent to 20,029 current customers.

Jane,

You are invited to our exclusive online appreciation event. Go online now to get $10 OFF $25 and your chance to WIN!

We’re giving away 10 - $100 Gift Cards and a $1,000 Shopping Spree when you share online!

www.SteinMartGift.com/janesmith

GO ONLINE NOW!
The Form
When a customer logged in to their PURL, they were brought to Stein Mart’s customized microsite.
Custom Poll
Stein Mart used the custom poll platform to gauge how many users were frequent Stein Mart shoppers or new customers.

User Experience
89% of users reported that they shop at Stein Mart monthly or rarely.

Client Experience

<table>
<thead>
<tr>
<th>Question 1: How often do you shop at Stein Mart?</th>
<th>VOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>0.67%</td>
</tr>
<tr>
<td>Weekly</td>
<td>11.16%</td>
</tr>
<tr>
<td>Monthly</td>
<td>50.78%</td>
</tr>
<tr>
<td>Rarely</td>
<td>37.39%</td>
</tr>
</tbody>
</table>
Sharing Module

One-click sharing

User Experience

Give your friends a great offer and a chance to win!
It's easy! Use the icons below to share with your friends and family. You will automatically be entered to win the $1,000 shopping spree and 1 of 10 $100 gift cards. Your friends will get $10 off $25 and a chance to win too!

Share this Promotion with your friends:

Facebook  Twitter  Email  Mobile

Done sharing?
Continue and Activate My Offer »
Sharing Module

One-click sharing

User Experience
Sharing Module

Post offer in real-time

User Experience
Redemption

Customers were able to print out the original $10 off $25 coupon to redeem nationwide at any Stein Mart location.

Expected: 600  3%
Actual: 8,000  40%
Social sharing breakdown

3,597 people shared the offer, bringing in 25,464 additional responses.
Overall campaign produced a 150% response

Total response: 150.30%
Mail response: 7.85%
Social response: 127.30%
Direct response: 15.15%

Total Response: 30,068

The Dukky platform increased response by 85%
The future of marketing lies in Peer to Peer recommendations. Research, logic and proven studies are all pointing towards this type of platform to do so.

“Dukky is merging the junk in the mail with social marketing and web technology--and creating a staggeringly effective marketing machine.”
SteinMart is just one story of many…

Chick-fil-A franchises established a full customer database within one campaign.

Women’s apparel store used customer insight for future store development and product lines.

Restaurant turned a third party list into a customer database.

Automotive campaign sold more cars in 3 days than in the entire previous month.

….Yours could be next.
What’s New from the USPS?
New Ways to Make Mail More Effective

*Technology Explosion Changes the Marketing Toolbox*

1. Personalization

2. Variable Data Printing

3. Unique Codes
   - PURLs (Personal URLs)
   - QR Codes/Tags

4. Augmented Reality
   - an *interactive experience* where virtual components are dynamically merged into a live video stream in real time.
   - allows computer-generated content to be superimposed over a live camera view of the real world

5. Mobile Marketing

6. Intelligent Mail Barcodes

7. Localized Marketing – Mass Targeting - EDDM

[www.usps.com/lynnnoble]
Mobile Technology Today

- Mobile marketing spending in the U.S. increased at a CAGR of >25% in 2011
- QR codes, barcodes, and tags are the future of mobile marketing
- $119B projected mobile commerce spending by 2015
- The year of mobile marketing has arrived!
Rapid Smart Phone Penetration Growth

Smartphones vs Feature Phones

Smartphones vs PCs

U.S. Smartphone Penetration & Projections

Dashed lines indicate projections

Feature Phone Smartphone

Source: The Nielsen Company

Smartphone Sales To Beat PC Sales By 2011

Source: RBC Capital Markets estimates
2012 Mobile Commerce & Personalization Promotion

**Objective**
- To encourage effective use of direct mail using best practices with mobile technology to drive long-term value

**How**
- **Upfront 2% discount on First-Class and Standard Mail containing a mobile barcode that:**
  1) Facilitates or “triggers” a mobile purchase
     - Encourage mail use in mCommerce - simplify buying process via mail, or
  2) Is personalized to recipient
     - Demonstrate increased ROI when mail is personalized and relevant
Mobile Commerce & Personalization Promotion

• Mobile Commerce
  – Encourage and promote engagement with mail that facilitates mobile commerce
  – Scanned barcode takes customer to mobile optimized site to purchase a product or service (i.e. has mobile “checkout” capabilities)*

Considerations
- Highlights marketplace trends – encourages mailers to accelerate movement
- Targeting retailers and catalogers
- Not as relevant to service-industry mailers

*Websites used for e-bill payment of regularly, scheduled (weekly, Monthly, bi-monthly, quarterly, etc) services are not eligible.
Mobile Commerce & Personalization Promotion

- Mobile Personalization
  - Facilitate the integration of Personalization (which has proven value with direct mail) and mobile to achieve greater success.
  - Barcode when scanned links to a unique, personalized web page

Considerations
- Brings together the power of personalization with the flexibility and growing use of mobile marketing
- Parameters/rules easier to define and communicate.
- Many service providers offer this platform, however
- Might be difficult for some to execute if they are not already in the space (optimization, value-added content, etc.)
Promotion Requirements

- Mobile barcode best practices must be used
  - Directional copy required
  - Must link to mobile optimized site
  - Must link to site relevant to content of mailpiece
  - Recommend use of software platform to track responses
Scan to Connect

- Launch Web
- Launch Email
- Launch Call
Scan to Store

Scan to store
USPS digital coupon accordion app

Scan to schedule
e.g. Bill reminders
Scan to Multimedia

- Launch Video
- Launch Audio
Making Mail Interactive
Increasing Engagement (Augmented Reality)

From the printer’s perspective, Augmented Reality is great

• The target is easy to print because it’s iconic
• The enhanced image includes the print image
• The user is hands-on with the printed piece the entire time

http://mini-origin.ar-live.de/video.html
Making Print and Mail Innovative

Augmented Reality Examples

Topps, a leading creator and marketer of sports and related cards, partnered with Total Immersion, an AR company, to produce a line of 3-D baseball cards.

The Postal Service has one of the most practical applications

http://www.hallmark.com/webapp/wcs/stores/servlet/article%7c10001%7c10051%7cHallmarkSite/Cards/AUGMENTED_REALITY?rSearchTerm=augmented%20reality

https://www.prioritymail.com/simulator.asp

www.tinyurl.com/ykzle4e
An efficient and affordable service for businesses that want to target specific areas in their local market without requiring names and addresses on the mail pieces.

A NEW SERVICE TO HELP YOU PROMOTE YOUR BUSINESS
A good marketing strategy is a targeted strategy.

Types of targeted marketing strategies:

- Customer – identifying people most likely to buy product and target these groups.
- Geographical/location based – serving needs in particular geographic area.

NOTE: over 40% of Google searches are for local products and services.
The Choice — Localized Marketing

• Create a highly focused and personalized marketing message based on your geographical area

• Your message is delivered only to people most likely to be a customer
  • those within 10 miles or 10 minutes of your door

• More targeted than mass advertising
Do you know what your neighborhood looks like?

This is how we see it.
Who can benefit from this service?

• Retailers
• Auto dealerships and services
• Restaurants
• Dry cleaners
• Local health clinics
• Real estate agents
• Schools…and more
Searching for new customers?

Every Door Direct Mail just made them easier to find.

- Target customers near your place of business using our free mapping tool.
- No need for names or street addresses
- Rates as low as $0.145

A NEW SERVICE TO HELP YOU PROMOTE YOUR BUSINESS.
Every Door Direct Mail™ online tool

- Identify the “best” carrier routes
- Determine how many pieces you’ll need
- Create the necessary mailing documents
- Calculate postage in real time

ACCESS THE ONLINE TOOL AT eddm.usps.com
A NEW SERVICE TO HELP YOU PROMOTE YOUR BUSINESS.

USPS Online Tool – WWW.EDDM.USPS.COM

With Every Door Direct Mail service from the U.S. Postal Service®, reaching the market that matters most to your business has never been easier. Our online mapping tool helps you target mailing routes by neighborhood, ZIP Code™ or city around your business. Identify the number of active households and businesses in your selected area and estimate postage all in one place. The tool even generates and prints the appropriate documentation to take with your mailing to the Post Office®.

To get started identifying the neighborhoods you want to target, chose one of the three options below. To access either the BMEU or Retail section of the mapping tool you must login or register via the Business Customer Gateway.

Mailings are prepared for processing at a Business Mail Entry Unit (BMEU). Requirements:
- You must have an active USPS Standard Mail® permit number.
- You must register or log in via the Business Customer Gateway to access the online tool.
- Appropriate documentation will be provided to take with your mailing to the Post Office.

Questions about Every Door Direct Mail or Every Door Direct Mail - Retail™? Call 877-747-6249.
Step 1: Enter in your target area. This example is “By Location”
Online Mapping Tool Demo Step 2

Step 2: Play around with the different routes to create your own unique target area. This example is “By Location”
Questions?

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