



CONNECTING CUSTOMERS TO DIGITAL EXPERIENCES WITH PHYSICAL MAIL



Note: Speaker's notes are intended to help present the slides. Please do not read verbatim or share these notes with customers.

Introduction:

As the slide says, we're here to talk about how marketing technology can bridge the gap between digital and physical mail.

If I were to ask you what makes marketing effective, you might say it's about targeting, compelling creative, the offer, a strong call to action, customer lists, etc.

Those responses would be accurate; however, we now live in an age where empowered, perpetually connected customers are curating and controlling *their* communication and shopping experiences.

It's no longer enough in this digital, omni-channel, big data, marketing-automated, social world to execute direct mail as we have in the past.

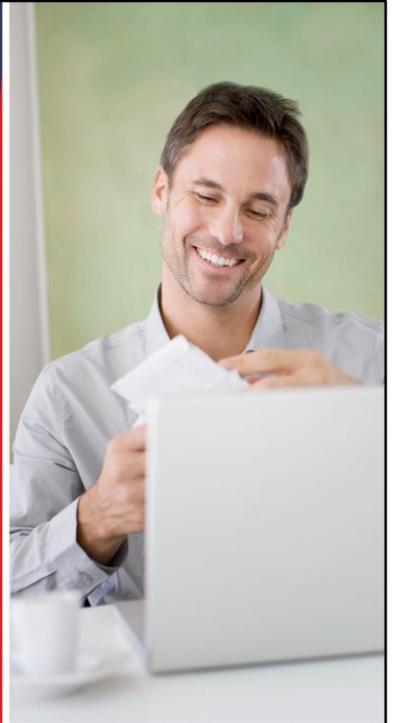
That's why we're taking mail to a whole new digitally integrated level.

WHY DOES DIRECT MAIL CONTINUE TO DELIVER IMPACT AND ACTION?

Because technology and trends inevitably change, but people don't.

Marketing is and will always be about connecting with customers in relevant and emotional ways that drive engagement.

This is where mail outperforms other channels.



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As technology advances, it presents a tremendous opportunity for us all to shift how direct mail is perceived and used in the customer experience, to showcase how it integrates with other media channels, and how it's proving its resilience—and relevance—as the backbone channel that delivers.

Why does direct mail continue to deliver impact and action? Because technology and trends inevitably change, but people don't. Marketing is and will always be about connecting with customers in a relevant, emotional way that drives engagement and leads to a response.

This is where mail outperforms other channels.



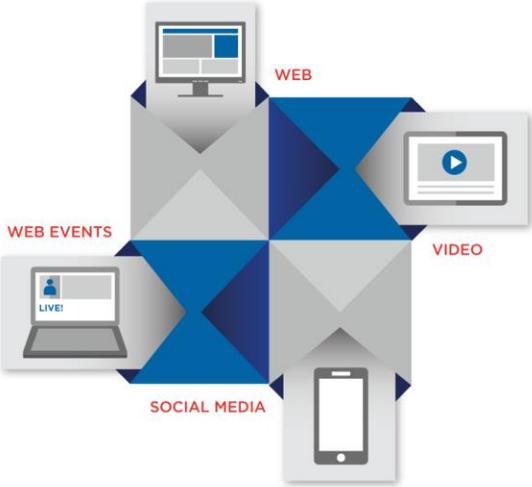
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Mail drives customers online. And mobile is making it easier than ever for people to make the transition.

The facts tell the story. As a direct result of receiving mail:

- 92% driven to online or digital activity.
- 87% influenced to make online purchases.
- 86% connected with business.
- 54% engaged in social media.
- 43% downloaded something.

Source: Mail MarketReach, Mail and Digital Part 2, Quadrangle, 2014



DIRECT MAIL IS THE SPARK THAT INITIATES CONNECTIONS

What makes mail unique is its ability to:

- Break through the media clutter.
- Deliver micro-targeted, personalized experiences.
- Seamlessly integrate with digital experiences and e-commerce transactions.

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Mail is the spark that initiates connections and action by breaking through media clutter with micro-targeted, personalized experiences that seamlessly integrate with digital and e-commerce transactions.

And today's mail can leverage insights from digital behavior (search, social, content consumption) to drive highly relevant direct mail strategies.

Now, I would like to highlight some emerging technologies that make digitally enabled mail possible, while providing some inspiring examples as well.

MORE RESPONSIVE, DYNAMIC, AND PERSONALIZED MAIL IS HERE

Rapid-response mail harnesses data to target customer buying habits through direct mail. It's mail that knows who the customer is and fits their lifestyle and preferences.



Example:

- To reengage customers who have abandoned their shopping carts or who browsed but failed to act, a major online shoe company deploys rapid-response direct mail.
- Drawing from the data gathered during the website visit, a personalized, direct mailpiece is sent to the consumer within 24 hours, offering them VIP status that entitles them to discounts on similar items to encourage follow-through.

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We're entering an era of more responsive, dynamic, and personalized mail. Mail that behaves like a digital channel and expands the way people interact with mail. Mail that knows who the customer is and fits their lifestyle and preferences.

What is rapid-response mail? It's programmatic mail that transforms real-time online activity into a dynamically rendered, personalized direct mailpiece that's delivered to a major postal hub and sent on its way to a consumer's home within 12 to 24 hours of that online interaction, every day.

Why it's important: It seamlessly connects real-time customer interest and intent data with in-home tangible media.

Here are some real-world examples of how mail can be used to harness the power of data to target customer buying habits.

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response direct mail. From the data gathered during the transaction, a personalized, direct mailpiece is sent to the customer within 24 hours of their website visit, offering them VIP status that entitles them to discounts on similar items to encourage follow-through.

- Postagram created an app that turns mobile photos into engaging postcards for just 99 cents each, which are then physically mailed to their friends and family.

Here's another great example of how effective programmatic mail can be:

PebblePost launched last June on a promise of 8% response rates and 15% conversion rates. But beta-testers like Giggle posted numbers closer to 20% and 40% in those categories, respectively. PebblePost is run on an ad server that is activated by customer-determined hierarchies such as product segments.¹

"I came in [to Giggle] very skeptical of direct mail. It's such a huge expense. Now I feel like I've become a proponent of direct mail. You've got to be so good at search today, for instance, or you end up on the second page. It's gotten to the point that direct mail can be disruptive." — Shawna Kaplan Hausman, VP of e-commerce and digital marketing at Giggle, a retailer of high-end baby gear that uses services from programmatic direct mail provider PebblePost.¹

1. Al Urbanski, "How To Make Programmatic Less Problematic," DMN, May 4, 2016.

QR CODE

QR CODE & LOGO

VISUAL QR CODE

DOTLESS VISUAL QR CODE

QR CODES ARE CONTINUING TO EVOLVE

QR codes are no longer static. They are dynamic, linking mail to new innovations and capabilities. And it's just the tip of the iceberg.

Example: A sporting goods store uses dynamic QR codes to transport customers directly to offers on their website and social media page as well as to launch product videos, motivate app downloads, and to drive participation in online contests.

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What is a QR code? It's a type of 2-D barcode that is used to provide easy, digital access to information (URLs, product information, etc.) through a smartphone application.

Why it's important: QR codes are evolving and are no longer static. Now they are dynamic, which lets marketers link mail content to new innovations and capabilities. And it's just the tip of the iceberg.

How they can be used: Visual QR codes can link to analytics data and all types of platforms. These include websites, videos, and social media ("Like us on Facebook"), as well as phone dialers, text messages, and Bitcoin payments. And they can be incorporated in many ways, such as "Buy Now" buttons, live Twitter Q&A sessions, streaming video, social media contests, and more.

*Dotless (visual) QR codes contain up to 90% more empty space than traditional QR codes, allowing for more for branding and messaging within their design.**

Example: A sporting goods store uses dynamic QR codes to transport customers directly to offers on their website and social media page as well as to launch product videos, motivate app downloads, and to drive participation in online contests.

Overcoming objections: Some consider QR codes outdated or often missed. However, today's visual QR codes are no longer visually distracting like their predecessors and can be integrated into the beauty of the design.

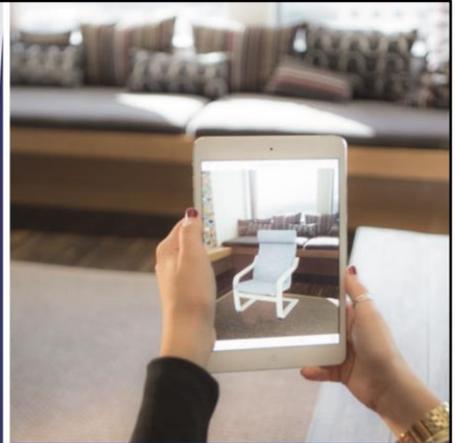
[Footnote]

*Source: Jon Russell, "The Humble QR Code Is Being Disrupted...And Going Dotless," TechCrunch, May 18, 2015.

AUGMENTED REALITY (AR) GIVES PRINT DIGITAL DIMENSION

AR transforms mail from something a customer reads to something they interact with, helping to:

- Create lasting impressions.
- Deliver unexpected, visceral, and impactful experiences that can create highly qualified leads.
- Launch videos that can take customers directly to a purchase point.



Example: A major Swedish furniture company embedded AR within its print catalogs that lets shoppers preview digital furniture in their physical house using an app on their smartphones. Rather than imagine how the piece will look in a space, shoppers can display it in 3-D and in real time anywhere in the room.

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The marketing world is now seeing what's possible when direct mail triggers digital experiences with augmented reality.

What is AR technology? It enhances direct mail by overlaying a computer-generated "3-D"-like image over a still image. This allows the recipient to have a more "real" and deeper viewing experience.

Why it's important: Gives print a digital dimension which helps create lasting impressions.

How to incorporate: You can see how effective AR is in a piece we've recently created called "Irresistible Mail™." This highly interactive book demonstrates what happens when innovative technology and mail deliver unexpected, visceral, and impactful experiences that can help create highly qualified leads.

Examples of how companies are using AR technology to engage customers:

- Any Fitness Company embedded AR into its direct mailpiece, enabling

customers to hover over the image of its running shoes with their phone to view a 3-D image of the product—in effect, bringing it to life. It then transported the customer to a purchase point, making the sale easier.

- In 2015, one of the largest toy store companies in the world integrated an interactive AR game/contest in its Christmas catalog to engage kids. Creating an engaging game can help capture customer attention for longer periods of time and increase brand exposure while enabling your company to provide more information about your product or service.
- A high-end jewelry company integrated AR into direct mail that enables customers to virtually try on jewelry.

Overcoming objections: If your prospective customer has issues with convenience such as having to download an app to unleash the AR technology, you can talk about the option of using an offer as an incentive such as: “Download our AR app and then scan to reveal your personal offer at the end of your experience.”

NEAR FIELD COMMUNICATION (NFC) OPENS A DIGITAL PORTAL THAT DELIVERS IMMEDIATE EXPERIENCES

Unlike QR codes and AR, NFC takes the customer to a digital experience instantly with just the tap of their smartphone.

Integrating wireless NFC microchips into your mailpieces can:

- Lead to immediate, engaging, and productive online experiences.
- Make it fast and easy for customers to engage because they don't need to download a special app in order to interact.

Example: A new gym in town embedded an NFC chip into their direct mailpiece, which enabled users to instantly receive a free pass by tapping the chip with their smartphone.

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What is NFC? Embedded wireless NFC microchips empower your mailpieces with short-range radio waves that activate in the presence of an NFC-capable mobile phone. One of the key advantages of using NFC in direct mail is that the recipient doesn't need to download and use a special app in order to enjoy the experience.

Why it's important: It opens a "digital portal" leading to more engaging and productive online consumer experiences.

How to incorporate: NFC tags can be easily incorporated into direct mail to launch video experiences, allow consumers to access personalized product information and coupons, and more.

Example: A new gym in town embedded an NFC chip into its direct mailpiece, enabling users to just tap the piece with their smartphone to receive a free pass.

Overcoming objections: If your prospective customer has concerns with the expense to embed the chip and with not all phones having NFC technology,

Speak to them about the incomparable immediacy and how that can lead to increased engagement. If needed, direct them toward alternative solutions, such as QR codes acting as “Buy Now” buttons, as an example.



MAIL IS THE FOUNDATION THAT SUPPORTS AN OMNI-CHANNEL STRATEGY

Mail thrives and delivers the highest return when:

- It's truly part of an omni-channel strategy.
- It leverages findings from digital strategies and connects with other data streams.
- It supports other advertising channels but also defines the consumer journey with a consistent experience.

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Beyond driving the print to digital/mobile experience, mail thrives and delivers the highest return when:

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Dish Network is a great example of a company embracing this trend.

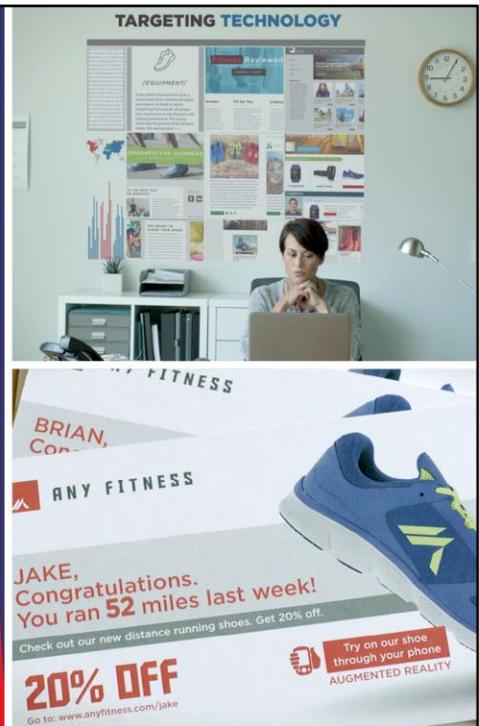
BIG DATA ISN'T JUST A BUZZ WORD, IT'S A GAME CHANGER

Why are 54% of marketers (according to DMA's Statistical Fact Book) already using some kind of big data solution?

Because it enables marketers to:

- Create mail that features highly personalized programs and offers.
- Tap into technologies that search and identify online behavior to create ultra-targeted leads.
- Coordinate campaigns to deliver timely messages.

EXAMPLE: Big data can also be used to glean information such as a customer's birthdate—enabling businesses to create personalized birthday cards that include a coupon to be redeemed around that date.



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These are all exciting trends, but a truly effective omni-channel experience only happens when the experience is highly personalized and interactive.

Big data isn't just a buzz word, it's a game changer. Why are 54% of marketers (according to DMA's 2016 Statistical Fact Book) already using some kind of big data solution? Because it enables us to dig down deeper past surface demographics to uncover more detailed and personal information than was available in the past.

For example: Big data can be used to target potential customers by geographic area and/or interests. This allows you to customize your mailing to appeal to their hobbies or offer a coupon to be used at a local store or facility. It can also be used to glean information such as birthdays, so you can create personalized birthday cards that include a coupon to be used around that date.

These insights revealed by big data analytics play an important role in personalizing the message, the call to action, and conversion rates.



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What happens when technology offers powerful tools to make deeper connections with customers?

Let's take a look.



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So far I've talked about physical to digital experiences, but what if there was a way to fuel digital to physical experiences? That's where Informed Delivery comes in.

Informed Delivery provides a daily, digital notification of mail to be delivered to a customer. In the same way you check content on social media, news apps, and emails every day, customers will also be able to check and see what's arriving in their physical mailbox—before they get there.

Today's customers have a daily technology-enabled routine. Our goal is to elevate the role of mail by being part of that daily experience.

We are doing this by providing the vehicle for marketers to attach online offers to their mailpiece within that mobile experience. If a customer sees that they're receiving a mailpiece with an offer from a favorite retailer, it motivates them to open that mail when they get home.

This is another way that we're linking mail to technology, interactivity, and more transactions.

Our ultimate goal is to empower true omni-channel marketing campaigns.

BEST PRACTICES AND NEXT STEPS

What can we all do to increase the strength and convergence of mail with digital experiences to increase ROI?



Explore new ways of combining mail with other channels and data streams.



Use data and analytics to get to know who your customers are.



Demonstrate the power of mail as a trigger to digital experiences across devices.



Track and prove what happens when mail and digital work together.



Gain a deep understanding of your customers' experiences with your brand.

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We are all in a competition for consumer attention. So what can we all do to increase the strength and convergence of mail and digital experiences to help increase ROI?

- Explore new ways of combining mail with other channels and data streams in this dynamic/changing media environment.
- Use data and analytics to get closer to our clients; create consistent, relevant experiences; and gain a higher return.
- Demonstrate the power of mail as a foundational trigger to digital experiences across devices, customer relationship management, and marketing automation systems.
- Track and prove what happens when personalized, disruptive mail drives digital and mobile engagement, which in turn drive results.
- Gain a deep understanding of your customers' experiences with your brand in order to realize their unmet needs—discover how you can evolve to effectively meet those needs.



THE BOTTOM LINE

Mail is evolving.

You are driving these changes in mail.

Let's work together to get the word out about
the power of today's mail.

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We all need to excavate fresh ideas, be nimble enough to implement them, and make sure they delight customers at every turn.

Let's work together to get the word out about the power of today's mail.



THANK YOU