

Direct Marketing Trends for 2012

*Emphasis on Targeting,
Personalization and Integration*





Introduction

Now that the calendar has ticked over to 2012, it's time to implement your new year's marketing strategy. If you don't have a strategy yet, perhaps some of the up and coming trends in direct marketing will inspire you this year. This white paper will introduce you to what successful direct marketers will be doing in 2012 to boost their business. Some of these trends have to do with traditional direct mail, others with email marketing and social media, but if there's one overarching trend that is completely obvious, it's integrated marketing. 2011 showed that having an integrated plan for your direct mail, email, web, mobile, and other media strategies is not only important, it's required, and integration will continue to be strong in 2012. Read on to learn how you can tap into the best trends in direct marketing for 2012.

Staying Power of Direct Mail

As we mentioned above, integrated marketing is here to stay, and direct mail remains an important part of successful integrated marketing campaigns. For a long time, direct mail was the only way to consistently reach prospects, so it was used extensively, and customers became turned off by all of the “junk mail”.

However, in today's digital age, your prospects are bombarded with email, web advertisements, mobile ads, texts, TV and radio advertisements all day long. Studies have found that people have moved past their initial apathy to direct mail and are tending to respond again to receiving a piece of physical mail. Research by Mail Print¹ found that “85% of consumers sort through and read selected pieces of mail every day. 75% of consumers are saying that they are examining their mail more closely in the recent months to search for coupons and discounts. 40% of consumers say that they have tried a new business after receiving direct mail, and 70% have renewed relationships with businesses that they had previously ceased using.”

It's not just that people are receiving less physical direct mail, it's also that marketers are being smart about what they send and to whom they send it. Direct mail is also changing through the use of unique direct mail formats that include color, oversized formats, and interactive elements that make the piece stand out from the rest of the mail. Try an oversized envelope that stands out from the standard #10 envelopes that dominate a pile of mail.

¹ <http://www.accurateleads.com/Blog/the-staying-power-of-direct-mail-in-2012/>

Also, don't forget to take advantage of the services that the United States Postal Service (USPS) offers for tracking, delivery, and address correction. The Intelligent Mail Barcode (IMB) will help you with all of these things and more. As summarized by the Accurate Leads Blog², "Mail may be one of the oldest forms of marketing but could also be considered one of the freshest in our digital age."

Targeting and Personalization

As mentioned in the section above on the importance of direct mail, one of the keys to the success of direct mail is targeting and personalization. Targeting is the

process of sending a marketing piece only to specific people who are most relevant to the message you are sending. Personalization

is the process of individualizing the marketing process,

so your prospect is seeing content and offers that best

match their interests. As noted by Allison Schiff of

the Direct Marketing News Blog³, "While a direct

mail piece addressed to "dear resident" might have

been enough 30 years ago, people have come to expect

personalized communications that speak to them on

a variety of levels." Theresa Wabler⁴, director of

marketing at Parago notes that segmentation will also

be applied to promotions as well as marketing. "Promotions will become more targeted, ensuring that they speak directly to

a brand's loyal base of customers, or a particular demographic that is poised for growth. This will not only protect the brand's reputation and value, but will foster more loyal customers."

This includes personalization: using digital printing processes to create content on each direct mail piece that is specifically relevant to the recipient. Personalization can include:

- Using the prospect's name prominently on the mail piece
- Including offers for products or services that are complementary to the prospect's previous purchases or indicated preferences
- Including a personalized URL (PURL) that provides the prospect with a web landing page full of information tailored to them



² <http://www.accurateleads.com/Blog/the-staying-power-of-direct-mail-in-2012/>

³ <http://www.dmnews.com/marketing-trends-get-personal-in-2012/article/220425/>

⁴ http://promomagazine.com/trends_promotion_marketing_1104_peo9/

“Both targeting and personalization are going to be critical trends in 2012, and often work hand in hand.”

Both targeting and personalization are going to be critical trends in 2012, and often work hand in hand. What targeting and personalization both come down to is relevancy. Prospects are far more willing to respond to direct mail that they feel is relevant to them. Figure 1, selected from a Marketing Sherpa survey⁵, highlights how marketing professionals are working on relevancy in their communications, but still have some room to improve. “These findings are not surprising considering the complexity of sending relevant communications, not to mention the time and resource constraints of email marketers. A positive sign is 44% of B2B marketers are close to reaching this goal, and will need to refine internal processes to consistently send targeted emails on time.”



Figure 1. Relevancy of Email Communications

The book *We Are All Weird* by Seth Godin highlights the fact that segmenting, personalization, and relevance will only grow in importance. “The book calls for the end of mass [marketing] and for the beginning of offering people more choices, more interests and giving them more authority to operate in ways that reflect their own unique values.”

Another key factor in targeted marketing in 2012 will be trigger marketing. These are specific messages that are sent to a prospect or customer based on the “trigger” of a certain criteria. This could be something like a birthday, where you can send a personalized email and special offer, or a follow up message a certain number of days after a quote has been delivered. Trigger messages are nearly always based on a customer action, whether it’s inquiring about your product or service, or providing a company with demographic information or preferences, so it is far more likely to be opened, read, and acted upon than a general, unsolicited email.

⁵ <http://www.marketingsherpa.com/article.php?id=32078>

SoLoMo – Social Media, Local, and Mobile Marketing

An area of direct marketing that will see huge gains in 2012 is dubbed “SoLoMo”, or social media, local, and mobile marketing. Social media was a huge factor in 2011, seeing many companies establish themselves on Facebook and Twitter, and utilize tools such as YouTube to get their message out to new people in new ways. On their blog⁶, Pitney Bowes stresses that combining email marketing with social media will significantly increase your response rates by expanding your audience, multiplying the impact, and creating a customer-friendly combination that gets results.

Direct mail has always been an effective way to market to a local audience. One way to improve on existing direct mail practices is to include “instant response” mechanisms on direct mail pieces. These include items such as a QR code or web landing page that will instantly provide the customer with additional information about your products, services, or events. These actions can also be referred to as “real time branding”, and can be easily integrated with social media and mobile technology. A Forbes study reported on the 123Print blog⁷ noted that, “More consumers crave instant information, responses and updates via their various devices.”

With the widespread use of mobile phones and smart phones, marketers have a new way to reach a large amount of local customers. According to Michael Peterman⁸, CEO of VeraData, “One indication of this is that 8% of Cyber Monday’s online purchases [in 2011] were made from a mobile device or smartphone. This number is staggering and represents an increase of several orders of magnitude over 2010. Anything with this type of rapid adoption cannot be ignored by our industry; and I think it is going to continue to accelerate.”

Management Acceptance and Involvement in Online Marketing

As was evident in 2011, integrated marketing is pretty much standard operating procedure when developing a marketing strategy, including the combination of email marketing, social media, and web pages. For a while, it was difficult for online marketing experts who understand the importance of an integrated strategy to engage with managers or executive staff who were rooted in more traditional direct marketing processes. However, many managers and CMOs have seen the light, realized the significant benefits that online marketing provides, and are getting involved themselves. For example, the next chart from Marketing Sherpa⁹ shows how senior executives and managers are involved in landing page optimization (LPO) activities within their organization. Only a small fraction of people surveyed are not involved at all. In 2012, company management will continue to nurture the processes involved in online marketing and support staff and campaigns that show results.

⁶ <http://www.pbsmartessentials.com/get-more-customers/miriamkendall/what%E2%80%99s-the-big-deal-about-integrating-social-media-and-email-marketing>

⁷ <http://www.123print.com/News/Marketing-trends-for-2012-put-real-time-in-the-spotlight-499>

⁸ <http://chiefmarketer.com/direct/non-print/List-Segmentation-Trends-in-2012-broker-roundtable-1208-lar3/>

⁹ <http://www.marketingsherpa.com/article.php?id=32084>



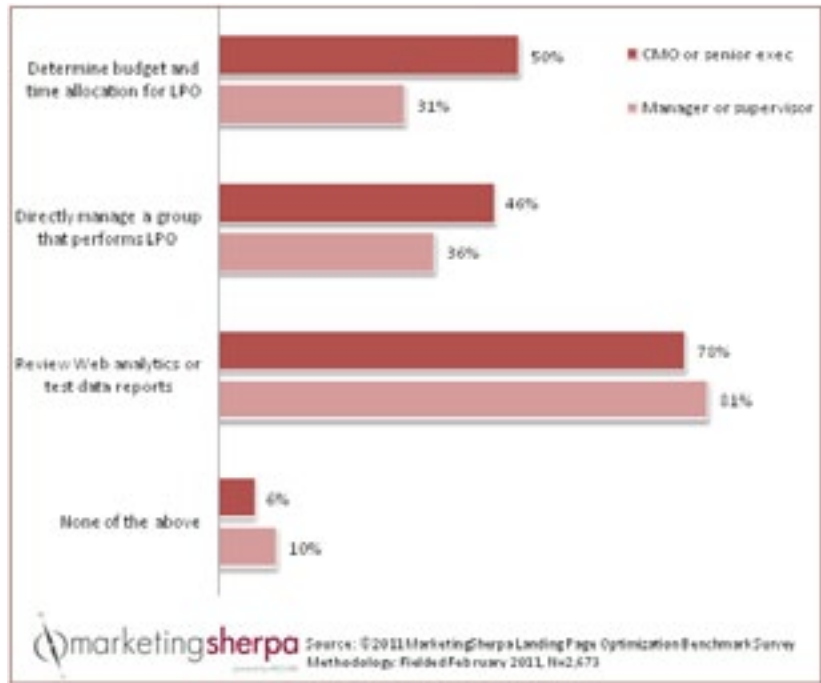


Figure 2. Executive and Management Involvement in Landing Page Optimization (LPO).

While marketing budgets may expand a bit in 2012 as the economy improves, it’s still important to maximize the efficiency of the funds you do have. Therefore it’s critical to have your management and executive staff educated and on-board when it comes to online marketing, because online marketing is not going away anytime soon.



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