

White Paper



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How Personalized Maps Add Value to Your Direct Mail

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How Personalized Maps Add Value to Your Direct Mail

Executive Summary

Direct mail, like print, is alive and well as an important marketing medium. It has a high ROI when compared with digital channels, and becomes even more successful in driving customer engagement by leveraging the value of location.

Geomarketing uses data – one of the most essential factors in direct mail success – to grab the attention of prospects and customers in the mailbox. It uses finely-tailored lists and highly-personalized maps to let marketers save money and time by focusing only on people who live within a specific distance of a business's geographic location, and then, shows them the exact route to get there.

The world's leading provider of geomarketing technology is locr. Its headquarters is based in Braunschweig, Germany and the company has offices in New York and London. The company takes high-quality data from geodata providers to create a detail-rich database to help you enhance the value of your mailing lists. From this information, you can create direct mail campaigns based on the exact address specifications of both the consumer and the business.

Because retail is undergoing a shift in how brands market themselves, the brick-and-mortar physical location is taking on new importance to shoppers. Geomarketing gives companies a tool to enhance the value of their direct mail by allowing them to precisely guide customers and prospects from their home to their business location. And for generations who have grown up as digital natives, personalized location-based mail ties in nicely with their affinity for both print and experience marketing.

Recommendations

- Marketers should take advantage of the “mail moment” by using geomarketing to leverage the incredible power of location in their direct mail efforts in many different industry verticals and audiences.
- GEOservices allows marketers to hone their direct mail efforts by focusing their lists only on those prospects physically closest to their location and suppress those that don't qualify, saving costs in print and postage.
- Personalized maps – which show consumers exactly how to travel from their home to your businesses – are a powerful way to stand out with a printed direct mail campaign.

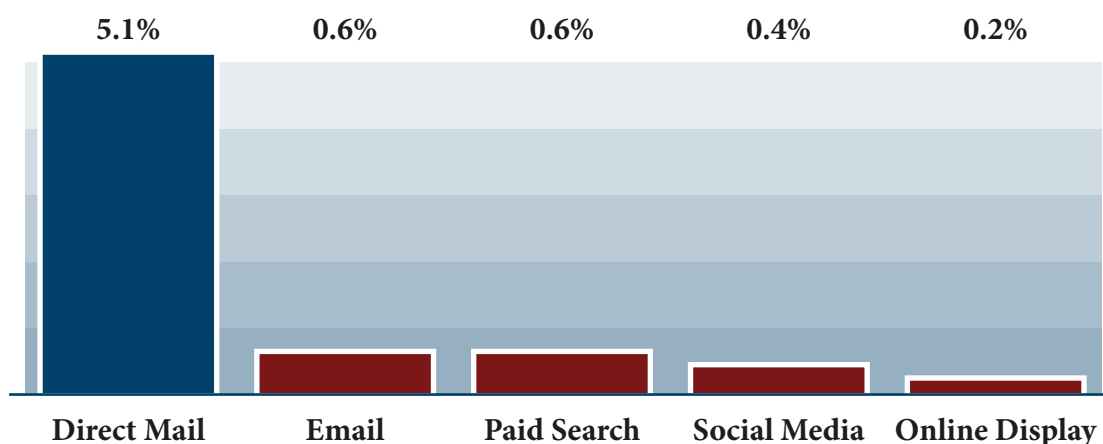
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Introduction

With so many channels available to marketers, it may be tempting to dismiss direct mail as outdated or too expensive to drive response. “Print is dead,” the conventional wisdom says, because we live in a digital age, where customers are merely a click or smartphone tap away.

Statistics from the Data and Marketing Association (DMA), however, tell another story. According to its latest “Response Rate Report,” direct mail has a response rate of 5.1%, compared to 0.6% for email, 0.6% for paid search, 0.4% for social media, and 0.2% for online display.

Figure 1: DMA Response Rate Report



Back in the 1960s, marketing expert Ed Mayer put forth a formula for determining the value of a direct mail campaign. “Success in direct mail,” he said, “is 40 percent lists, 40 percent offer and 20 percent everything else.”

Today, although the ratio may be slightly different, there is one certainty in the \$50 billion+ direct mail world: data is the king. It not only determines what lists are mailed to (and when), but what offers are chosen for which segments. And it’s a good thing, too.

Because of rising postage costs (among other factors), the days of spray-and-pray mass mailings are ending. Even in a less-crowded mailbox, direct mail needs to be more precisely targeted, personalized, and relevant than ever before to grab the attention of recipients. And thanks to geomarketing, it can be.

Geomarketing technology is a physical extension of what we know from the digital world applied to print. Google Maps, Bing Maps, GPS, and other apps and online mapping resources are at our command when planning a trip or driving our vehicles. They utilize an enormous amount of data points to produce personalized, step-by-step directions to our destinations. Important details like travel times and distances are also provided, along with alternative routes.

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But the most eye-catching element of this technology is the customized map. The map is a visual representation of the recommended route for the traveler to follow, complete with road and street designations, natural landmarks like rivers and parks, as well as major points-of-interest such as schools, shopping centers, and fire stations.

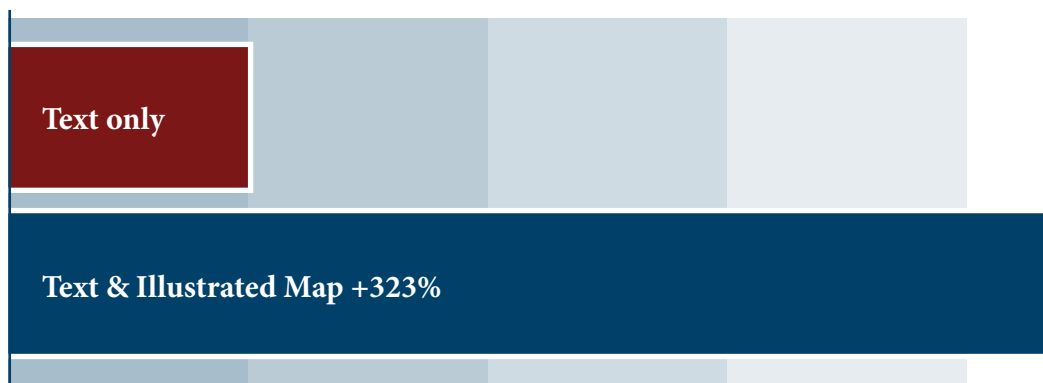
This exact same technology can be incorporated into a printed piece of direct mail, like a postcard, folded self-mailer, or letter. Here, a personalized map serves as an at-a-glance invitation to visit a business's physical location.

Think about what your customers see in their mail every day. Credit card offers, supermarket circulars, bills, catalogs, packages ... although overall mail volume has declined, they still receive some of the 154 billion+ mail pieces delivered by the U.S. Postal Service each year.

With all of the clutter from digital messaging, you have just a few seconds to really make an impression with mail. The importance of "the mail moment" – when your prospect sorts through their mail every day – is clear.

A high-quality direct mail package that incorporates a personalized map enhances that mail moment because the visual information it conveys stands out from the rest of the competition in the mailbox. One study, for example, says that people who follow directions with text and illustrations do 323% better than people without illustrations.

Figure 2: Finding Locations with and without Map



So instead of blind, hit-or-miss marketing that wastes money, brands can connect with customers using finely-tuned, targeted mailings that show how easy and worthwhile it is to travel to your front door.

It all starts with your mailing list of prospects or customers and the location you want to drive them to. The world's leading provider of geomarketing technology is locr. The company used its lengthy experience in geomarketing to develop GEOservices.

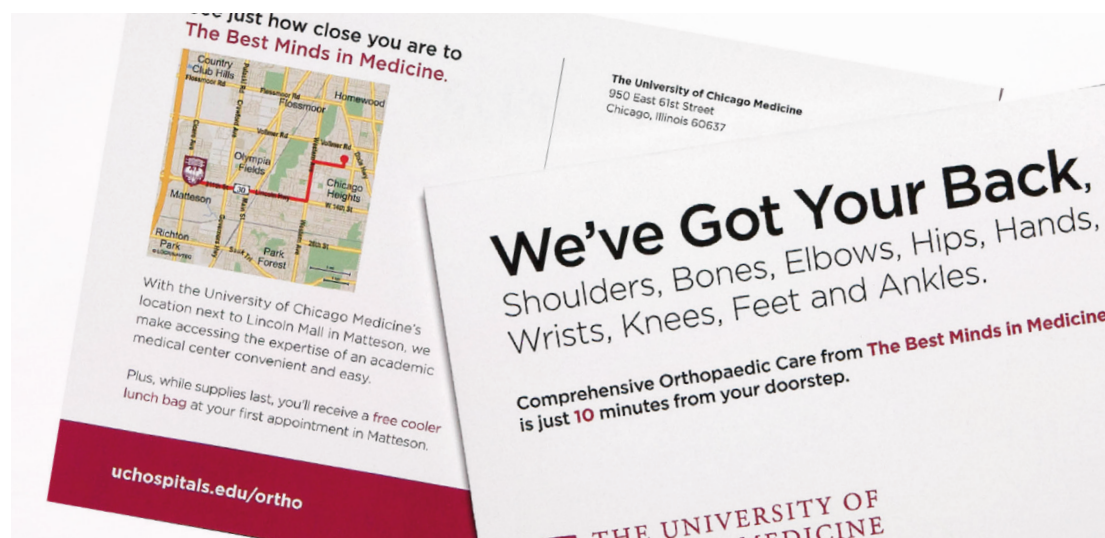
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The company takes high-quality data from geodata providers to create a detail-rich database to help you optimize the value of your mailing lists. From this information, you can create direct mail campaigns based on the exact address specifications of both the consumer and the business. This ensures that your campaigns and messages are well-targeted and relevant, saving you money and boosting response.

Adding a personalized map based on the high level of accuracy of your target lists turns an ordinary campaign into a much more valuable direct mail piece, one that improves response rates. For example, Partou, a Dutch chain of childcare centers, mailed a campaign to generate leads by targeting families within 3 miles of selected locations.

Working with locr, it sent out a direct mail effort that drove initial traffic to a microsite to request a tour, as well as enter a sweepstakes. The campaign included several personalized printed elements, including a map showing the route from the target home to the nearest Partou center. It achieved an ROI of over 2,200% based on new enrollments and long-term loyalty.

Figure 3: Mailing Sample University of Chicago Medicine



To recruit new patients for its Matteson, Illinois Orthopaedics Center location, the University of Chicago Medical Center's targeted mailing used personalized maps generated by locr to show exactly where it is relative to the recipient's home. A customized headline and copy called their attention to the precise distance – in minutes – to the clinic.

Rather than mail to all of the residents within a certain distance from the center, the center selected certain financial and active lifestyle demographics. Targeting only those prospects most likely to show interest produced up-front savings compared to a broader focus. And following the initial mailing, clinic visits by new patients increased in 1 month by 43%, which it directly attributed to the mailer.

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Reach Areas of Opportunity

Although online marketing has become more precise, there's still no way to guarantee that you will be able to reach every prospect in a specific geographical area. Direct mail, on the other hand, goes to every household and business address in the country.

With that as a starting point, data-driven marketers from many industry verticals can drill down and mail to geographical segments, alone or in conjunction with other criteria. Each category offers brands the opportunity to engage with recipients of a direct mail piece by leveraging their physical location.

Now, just about anything with a brick-and-mortar presence is a possible customer for using geomarketing services and personalized maps in their mail, as already shown in this whitepaper.

Nationally- or regionally-operated chains want (and need) to drive customers to their front doors with print. But single-location companies of all business types – their competition – also have those goals. And many have the money to get the job done. According to a 2017 study by BIA/Kelsey, a research and advisory firm, direct mail dominates local market ad spending with a 25% share (out of \$147.9 billion).

Here's a quick rundown of some of the markets to tap:

Retail Stores – easily the single largest and most diverse group of companies selling merchandise and services to the public, from apparel, jewelry, and home furnishings to electronics, hardware, and groceries; other possibilities: salons, fitness clubs, dry cleaners, garden centers, and warehouse stores

Financial Services – banks, insurance agencies, tax and investment advisors and brokers

Community Institutions – universities, schools, churches, government agencies and offices

Hospitality and Travel – hotels, restaurants, travel agencies

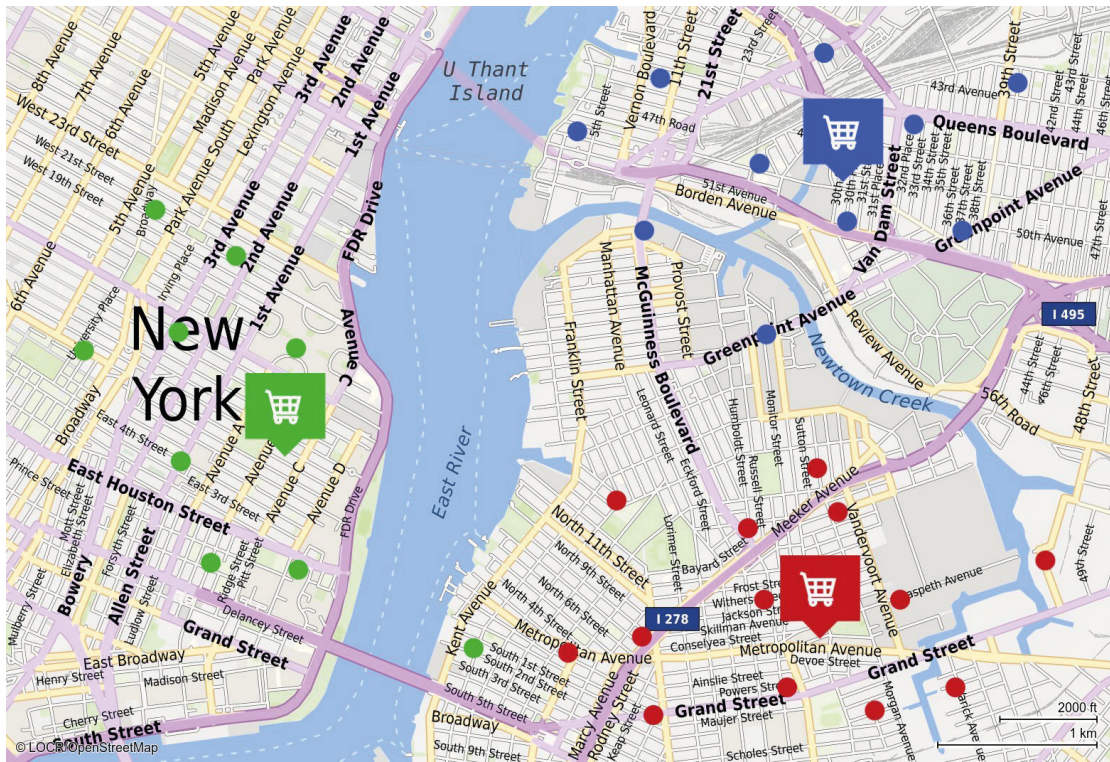
Entertainment and Culture – theaters, museums, zoos

Automotive Dealerships & Service Centers

Healthcare – hospitals, urgent care clinics, testing centers, pharmacies

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Figure 4: Destination Assignment



Driving future traffic to these locations is a shift that's underway in retail marketing. Retailers are moving away from providing goods and services as a transaction, to providing a customer experience. Among many consumers, there's a desire for a more meaningful connection that e-commerce alone cannot fulfill.

On the web, customers can search for specific products and be almost instantly rewarded with one-click buying. But having a physical location gives brands the opportunity to showcase their products and services. With their own hands, shoppers can touch and feel merchandise. They can look into the eyes of the professional selling them insurance, or a durable good, like a washing machine or pickup truck. They can then include all of that sensory evaluation when they decide whether to buy.


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Build Audiences of Opportunity

Millennials are a web-savvy, digital-first generation that already understands the concept of geomarketing. They grew up with Google Maps and GPS.

Print, though, is new and vibrant to this audience. According to a study for the U.S. Postal Service, 90% of millennials trust direct mail messaging, and 92% are influenced by mail when choosing what to buy. That's real purchasing power for an audience that's already buying cars, starting families, and will make up a majority of the workforce and consumers by 2020. When compared to the dozens or hundreds of social and email promotions that bombard them every day on their digital devices, a personalized printed map in a direct mail campaign makes it even more likely that they will respond with an in-person visit.

By the way, much of the same thinking can be applied to Generation Z – those consumers born after 1997. Some intriguing recent studies show that they generally trust digital messages least among all channels, while at the same time, they crave a more personalized engagement approach in others. To be prudent and maximize your ROI, make sure that you're present and consistent across several channels.



Advanced digital printing technologies mean that marketers have a growing variety of formats and graphic elements to choose from when designing print campaigns. And with geomarketing, direct mail can be relevant, engaging and memorable like never before.

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New movers are another ready-made audience for location-based marketing. According to the most recent survey figures from the U.S. Census Bureau, nearly 35 million people moved in 2017. These are people who represent one of the most potentially valuable segments in life event marketing. They're ideal customers, blank slates if you will, who are in the market for a dizzying variety of goods and services that can help them feel comfortable in their new house and neighborhood.

So, as a direct mailer, once you have up-to-date and multi-sourced mailing lists ready to go, how do you engage this audience? How do you establish a relationship and begin building longtime, maybe even lifetime customer loyalty?

When you consider that movers are a very motivated group of customers, with lots of money to spend at a time when brand switching is likely, the importance of using the right data and targeted offers is clear. Geographically-segmented mail or a customized map on a mail piece will resonate with this group over bland, impersonal mass market efforts.

Accounting for when a prospect may be ready to buy is also driving the rollout of programmatic direct mail by some marketers. This practice involves tracking customers' online behavior; if they abandon a web purchase, a personalized direct mail piece is sent out within 48 hours. For retailers who also have a nearby brick-and-mortar store, imagine mailing a personalized map and maybe a special discount to that customer!

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Conclusion

The vast improvements in data collection and usage in direct mail have made Mayer's equation even more vital in today's marketing environment. Better data means more than better list selections. It means more precisely targeted offers. It also means that marketers have many more options to make their mail more distinctive – both creatively and message-wise – in the customer's mailbox.

Print's place in the marketing mix is evolving as online communications mature. Instead of a pure mass medium, it is becoming more of a specialty service that brands can use to target prospects with 1-to-1 messages leveraging the same data that digital systems use. And it brings touch – the feel of paper and ink – that it can use to help develop an emotional connection with a customer.

Advanced digital printing technologies mean that marketers have a growing variety of formats and graphic elements to choose from when designing print campaigns. And with geomarketing, direct mail can be relevant, engaging and memorable like never before.

To increase the chances of making an impact with your geomarketing, and maximizing the value of your direct mail campaign, it should be well-integrated with the rest of the direct mail package. Its location on the mail piece – the images or graphics that accompany it – the copy – all play a part in supporting the call-to-action.

Finally, an offer or even an incentive that answers the question: "What's in it for me?" will help get customers out the door and on the way to your business.

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About the Author



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Paul Bobnak is a direct mail consultant and freelance content writer. In almost 20 years with Who's Mailing What!, the world's most comprehensive library of direct mail, he helped customers discover the tactics, offers, trends, and formats needed for successful marketing campaigns. He has created written and video content for Target Marketing, Suttle-Strauss, and United Printing + Mailing, among other companies. He also speaks about direct mail at marketing and printing industry events, webinars, and groups.

About locr GmbH

locr is a leading provider of geomarketing solutions that let marketers use location to their advantage. locr takes data from leading geo-data suppliers and converts it into geo-information services and personalized maps that can be used by marketers to enhance their mailing lists, create higher engagement and achieve better response rates.

For more information visit www.locr.com