A Data-Driven Guide to *Holiday* Direct Mail Success

Lob

Holiday retail sales have surpassed the *trillion-dollar mark*

U.S. households spend an average of $1,536 during the holidays.

with U.S. households spending an average of $1,536. Amid the hustle and bustle of the holiday season, while the digital world buzzes with online promotions, direct mail, a timeless marketing channel with immense potential, should be a part of every marketer's holiday strategy. However, traditional direct mail can require long lead times, managing printers, fulfillment, and tracking that requires bandwidth and effort that most marketers don't have, especially at this busy time of year.

This is where physical mail meets modern technology and data to ignite exceptional response, conversion, and ROI. Automated direct mail provides a strategic opportunity to harness the power of direct mail that's personalized, targeted, and attributable for your holiday marketing campaigns. Plus, you can get your mail pieces delivered faster than that guy in the red suit in the sleigh… We're talking campaign creation to delivery in a matter of days, not weeks.

The strategies in this ebook will help you create and send holiday mailers that drive meaningful impact on your bottom line and "sleigh" the holidays so let's unwrap the data-driven strategies to make this holiday season unforgettable.

Create *personalized holiday* direct mail campaigns that convert

Harness **customer data** for personalized holiday experiences

In the digital age, data is king, and its integration into traditional marketing channels like direct mail is a game-changer. When crafting holiday direct mail campaigns, you have access to abundant customer data that can be leveraged to create tailor-made experiences that are integrated with your omnichannel touchpoints. By tapping into data like purchase history, location, and preferences, you can create holiday direct mail pieces that consumers take action on.

Check out this example from **Red Hawk Realty**. The real estate brand sends a direct mail postcard with holiday greetings and coupons to local businesses to thank its customers for their loyalty. Using address data they are able to target their direct mail piece to customers with addresses in the local area.

68%

of consumers are more likely to engage with a brand's message when it's personalized to them.

Map to locations from home addresses to drive foot traffic

Location-based personalization is one of the more innovative ways to incorporate data into holiday direct mail. Imagine receiving a direct mail piece that wishes you a happy holiday season and provides a map pinpointing local events, stores, or restaurants offering special promotions. Using a customer's home address ensures that the information they provide is relevant and conveniently accessible.

Many automated direct mail platforms, like Lob, offer complete address verification solutions to ensure you have accurate and deliverable addresses across all your systems. Proactive address verification solutions will:
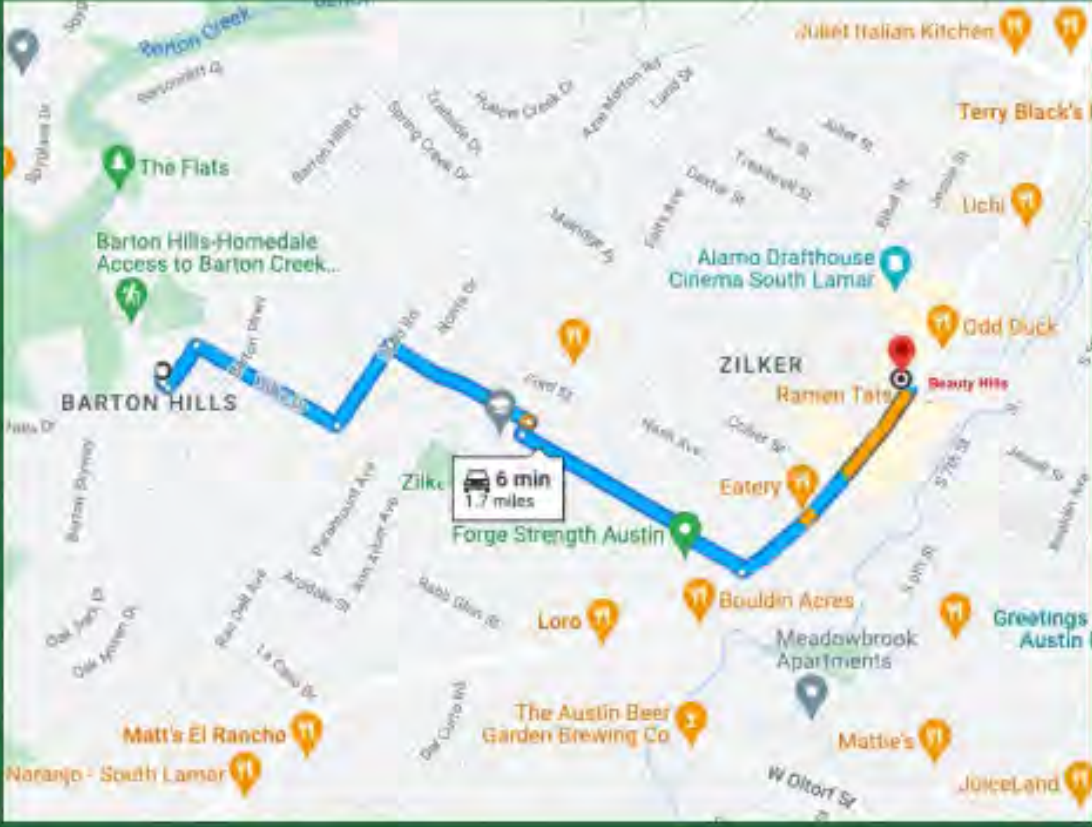
- **Increase conversion and eliminate mistakes with front-end autocompletion**

- **Reduce returned mail with global delivery verification**

- **Maintain evergreen database integrity with address standardization**

64%

of consumers say they've taken action on a direct mail piece.

Tap into **prior purchases and gift lists** to increase conversion

Understanding a customer's past behavior can offer valuable insights into their preferences and interests which can translate into direct mail ROI. You can recommend products that align with a customer's preferences by analyzing previous purchases and gift lists. Imagine receiving a direct mail catalog that showcases items based on your previous buying history with a reminder of what you bought for each person and a QR code to scan and buy it again or something similar. This level of personalization makes shopping easier and demonstrates that you understand the recipients' behaviors and desires.

Use QR codes and PURLs to make it easy for consumers to take action

QR codes and Personalized URLs (PURLs) bridge the physical and digital worlds, allowing seamless interaction and engagement. Incorporating QR codes into direct mail pieces can lead customers to personalized landing pages, where they receive exclusive offers, tailored recommendations, and interactive holiday-themed content.

Check out this example from retail behemoth Amazon. Amazon sent out a holiday catalog that

featured a bevy of gift-giving ideas prominently featuring QR codes on each page that led directly to the ordering page on Amazon's website. Talk about easy conversions!

PURLs take personalization even further by creating unique online destinations for each recipient, enhancing the sense of exclusivity and individual attention. Using the example above, you can create personalized landing pages with gift lists by price point, gender, interest, etc., to tap into prior purchase behavior or popular gift options. Including a gift list for recipients to treat themselves is a popular trend, and as a recent Bankrate survey found, 57% of holiday shoppers plan to spend money to treat themselves.

39%

consumers are likely to scan a QR code on a piece of direct mail and take action.

THIS FIGURE RISES TO

44% for those aged 35-54

51% for those aged 18-34.

Embrace **personalized holiday direct mail** to establish deeper connections

Data-driven personalization is not just a fleeting trend; it's a transformative approach to marketing that's here to stay. You can establish deeper connections by harnessing customer data to create customized holiday experiences, drive engagement, and boost sales. Whether it's through mapping locations from home addresses, utilizing purchase history and gift lists, or integrating QR codes and PURLs, the possibilities for personalization are vast. As technology continues to evolve, so too will the potential to create unforgettable holiday moments through personalized direct mail campaigns.

RECOMMENDED READING

The Modern Marketer's Guide to Personalization

Mia, we miss you!
20% off
when you shop online.

Scan or visit
Beauty.com/
Holiday-Mia

Holiday sale

{{Personalized offer}}

10% off

20% off

15% off

Data-driven optimization strategies for holiday direct mail campaigns

Now, it's time to delve into another critical aspect of optimizing your holiday direct mail campaigns: testing and iteration. You can ensure your holiday mailers deliver outstanding results by refining your approach through testing, design tweaks, and audience segmentation.

Test holiday direct mail elements

A/B testing, or split testing, is a fundamental practice in marketing. It involves sending two (or more) variations of your direct mail piece to different audience segments to determine which performs better. Here are some key elements to consider when implementing A/B testing for your holiday direct mail campaigns:

1. DESIGN ELEMENTS

Start by testing different design elements of your direct mail piece. This could include color schemes, images, layout, and overall visual appeal variations. For instance, you might want to test two images on the front of a postcard format—one with traditional holiday imagery and another with a more modern, minimalist design. Tracking the response rates of each design will provide valuable insights into your audience's preferences.

2. COPY AND MESSAGING

The words you choose can significantly impact your holiday mailer's success. Experiment with different copywriting approaches, headlines, and messaging styles. Test varying calls to action (CTAs) to see which resonates most with your audience. You can leverage AI tools to increase your efficiency to create different headline and copy options, making it easier to A/B and multivariate test your campaigns and quickly iterate based on the results.

3. OFFERS AND INCENTIVES

If your holiday campaign includes special offers or incentives, test different options to see which drives the most conversions. For example, if you're offering a discount, you can test different discount percentages or types of promotions (e.g., BOGO, free shipping, gift with purchase) to determine which generates the highest response.

Once you've conducted tests and collected data on the performance of different elements, it's time to analyze the results and iterate on your holiday direct mail campaigns.

RECOMMENDED READING

The Modern Marketer's Guide to Direct Mail Analytics & Testing

Segment your audience for targeted messaging

Segmentation is another essential strategy for holiday direct mail success. You can tailor your messaging to their needs and preferences by dividing your audience into smaller, more targeted groups. Here are some ways to effectively segment your audience:

1. DEMOGRAPHICS

Consider segmenting your audience by demographics such as age, gender, location, and income level. Different demographic groups may have varying spending habits and behaviors that you can effectively target with your campaigns.

2. BEHAVIOR AND PURCHASE HISTORY

Segment your audience based on their behavior and purchase history. Are some customers loyal, repeat buyers, while others are new to your brand? Customize your messaging to address their specific needs.

3. INTERESTS AND PREFERENCES

Use customer interest and preference data to create specific segments for your direct mail campaigns. For example, if you sell a wide range of products, segment your audience based on their previous purchases or expressed interests.

4. ENGAGEMENT LEVEL

Segment your audience by their level of engagement with your brand. Highly engaged customers may respond well to exclusive offers, while less engaged customers may need more enticing incentives.

Testing, iteration, and audience segmentation are essential data-driven optimization strategies for your holiday direct mail campaigns. By continuously refining your approach and tailoring your messaging to specific audience segments, you can maximize the effectiveness of your holiday marketing efforts and ensure a successful and profitable holiday season. In the next chapter, we'll explore logistics and timelines that impact your holiday direct mail campaigns.

RECOMMENDED READING

Optimizing Direct Mail for Maximum Results

Successfully navigate holiday direct mail *logistics and timelines*

As the holiday season approaches, it's essential to shift your focus to another critical aspect of your direct mail strategy: ensuring timely delivery. Timely delivery is the linchpin that holds your campaigns together. In this chapter, we'll explore how to manage production and shipping deadlines during the peak holiday season to guarantee your direct mail reaches its destination on time.

Manage direct mail production and shipping deadlines

Holiday direct mail campaigns are often characterized by tight deadlines and increased competition for production and shipping resources. To ensure that your mailers arrive on time and make a lasting impression, consider the following strategies:

1. START EARLY

One of the most effective ways to mitigate production and shipping challenges is to start planning and executing your holiday direct mail campaign early. This includes designing your materials, preparing your mailing lists, and finalizing your creative elements well before the holiday rush.

2. PROACTIVELY COORDINATE WITH PRINTERS AND SUPPLIERS

Collaboration is key when managing production deadlines. Establish a close working relationship with your printing and supply chain partners. Communicate your timeline and expectations clearly, and inquire about their capacity during the holiday season.

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3. CONSIDER DIRECT MAIL AUTOMATION

If traditional printing methods are causing bottlenecks in production, explore alternative options, such as using a direct mail automation platform. These SaaS-model direct mail platforms are end–to–end solutions that integrate with your marketing tech stack and manage the entire process of creation, production,

mailing, and tracking of your direct mail to streamline and optimize your entire direct mail workflow so it takes days, not months to execute a campaign. Many direct mail automation platforms may also offer predictable, flat-rate pricing to ensure your campaigns deliver the ROI you expect.

Some direct mail automation platforms also have Print Delivery Networks. By working with an automation platform that offers a PDN, like Lob, you eliminate the need to manage printers and suppliers and tap into the major benefit of having a network of available printers on demand. Qualified commercial printers are thoroughly vetted by our print experts and integrated into our PDN ecosystem, enabling our customers to easily access different mail delivery

strategies without the hassle of management. The strength of our PDN is predicated on automated production, dynamically adjusted throughput, and consistency of quality that's on-demand and at scale.

Investing in sustainable direct mail practices is another benefit of direct mail automation during the holidays and all year. **54% of consumers agree they are more likely to purchase from a brand that prioritizes sustainability.** All mail sent through Lob's platform is 100% carbon neutral across its entire lifecycle, setting a new sustainability standard for direct mail and the marketing industry overall. With Lob, companies can leverage the power of automated direct mail to maximize ROI while decreasing their carbon footprint and meeting sustainability goals at no additional cost.
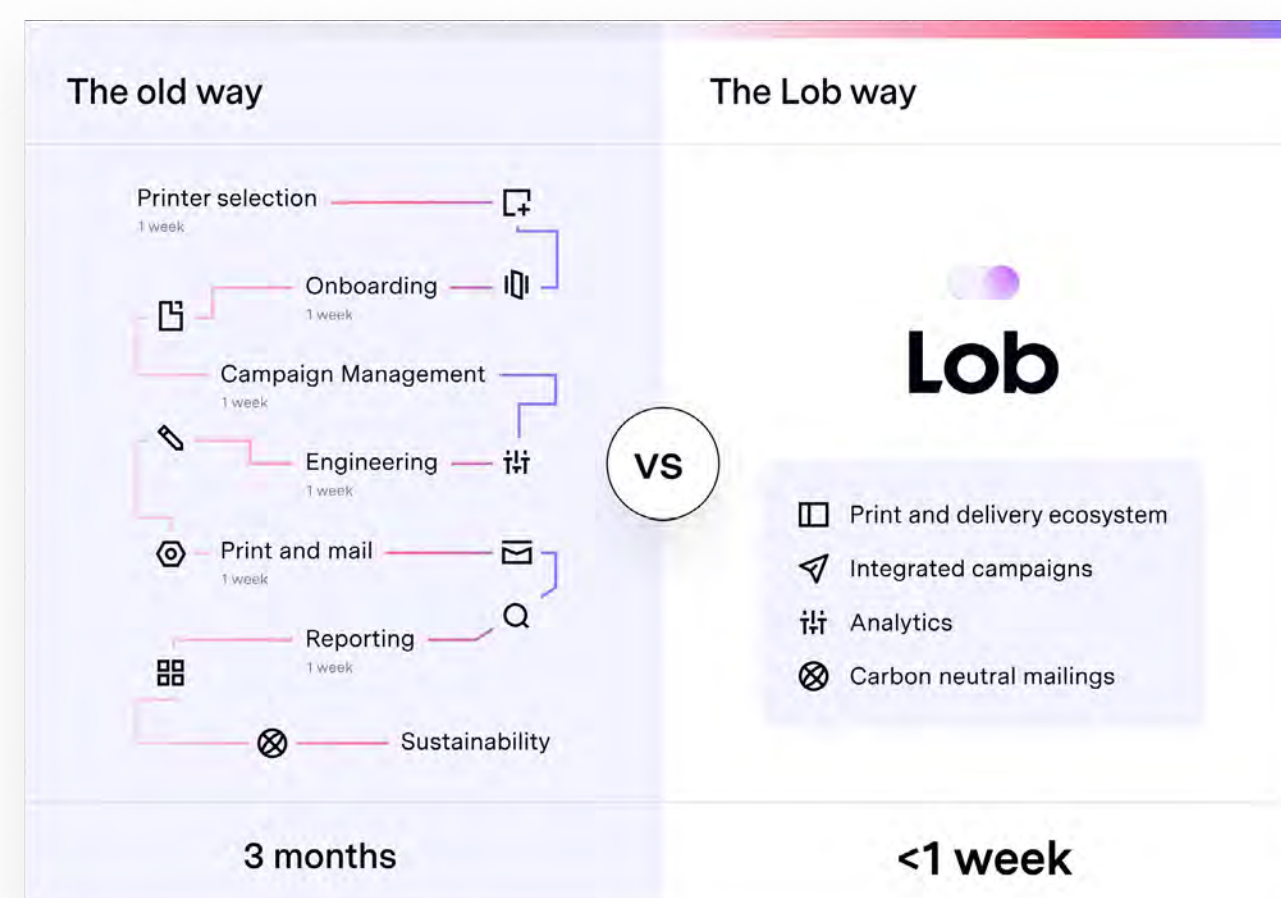
4. KNOW HOLIDAY MAILING DEADLINES

Many important revenue and conversion opportunities occur during the holiday season, including Thanksgiving, Black Friday, Cyber Monday, Giving Tuesday, Hanukkah, Christmas, and New Year's Day, so ensuring your campaigns arrive in time is important.

Timely delivery of your holiday direct mail is crucial for successful campaigns. By working with an experienced direct mail automation platform with a Print Delivery Network, you can navigate the complexities of the holiday season with confidence. In the next chapter, we'll explore tracking and attributing your holiday direct mail campaigns to maximize ROI.

The USPS provides postal deadlines for the holiday season including:

USPS Priority Mail Express:
Ship by Friday, December 22, 2023

Priority Mail:
Ship by Friday, December 22, 2023

First-Class Mail:
Ship by Thursday,December 21, 2023

Track and attribute holiday direct mail performance

To maximize your holiday campaign effectiveness, you must implement tracking mechanisms and measure direct mail's impact on online and offline conversions.

Implement **tracking mechanisms** for campaign effectiveness

Tracking the performance of your holiday direct mail campaign is essential to understanding its impact and making data-driven decisions. According to the State of Direct Mail, QR codes, personalized URLs, and customer activity in a given time period are the leading measurement tactics used by marketers who automate direct mail for campaign tracking and attribution.

74%

of marketers agree that direct mail delivers the best ROI of any channel used.

Here are some key tracking mechanisms to consider:

1. UNIQUE PROMO CODES

Include unique promo codes on your direct mail pieces. When customers redeem these codes online or in-store, you can attribute the conversion directly to your mailer. This method allows you to measure the success of your campaign and gauge its ROI accurately.

Useful tool:
Direct mail ROI calculator

2. QR CODES, UTMS, AND URLS

Use QR codes, UTMs, or custom URLs in your holiday direct mail that lead recipients to dedicated landing pages or product pages on your website.

UTM is an acronym for Urchin Traffic Monitor. Simply put, a UTM parameter is a string of code placed on the back end of a URL to define the source, medium, campaign, term, and/or content of the piece that sent the recipient to your website. UTM parameters allow you to accurately track user engagement from outside sources within your analytics platform of choice (if you look closely, you might even see one in the URL of the guide you are currently reading).

By using QR codes, UTMs, and custom URLs, you can track the number of visits, conversions, and engagement from your direct mail recipients in the digital space.

Look how the United States Postal Service featured custom URLs throughout this self-mailer promoting holiday stamps and special gifts. Custom URLs are also easier for consumers to remember, if they visit your site later.

Helpful content:
How to track direct mail using QR codes

We don't come down chimneys. But we make more holiday deliveries to homes than anyone else.*

UNITED STATES POSTAL SERVICE®
PRIORITY:YOU

SHOP SPECIAL GIFTS
Browse all our USPS exclusives at The Postal Store℠
usps.com/sparkle

Holiday magic starts here.

We made it easier than ever to send your gifts and greetings. Just scan the QR Codes®¹ or visit usps.com/magical

Open your camera to scan the QR Codes

3. CALL TRACKING

If your campaign includes a call-to-action to contact your business via phone, use call tracking numbers specific to your direct mail campaign. This way, you can monitor the number of calls your mailer generates and assess its impact on lead generation and conversions.

4. ONLINE ANALYTICS

Leverage web analytics tools like Google Analytics to monitor website traffic from your direct mail campaign. Track the behavior of visitors from your mailer, including page views, time spent on the website, and conversion rates.

OPTIMIZE
Use call tracking numbers specific to your direct mail campaign.

Measure direct mail's impact on online and offline conversions

To gauge the effectiveness of your holiday direct mail campaign, it's essential to measure its impact on both online and offline conversions:

1. ONLINE CONVERSIONS

Monitor the following online metrics to assess the impact of your direct mail on your digital presence:

Website traffic: Measure the increase in website visits attributed to your direct mail campaign

Conversion rate: Track the percentage of direct mail recipients who completed desired actions on your website, such as purchasing or signing up for your email list

Average Order Value (AOV): Analyze whether direct mail recipients have a higher AOV compared to other customer segments

2. OFFLINE CONVERSIONS

Remember to measure the offline impact of your campaign as well.

In-store visits: If you have physical retail locations, use tracking mechanisms to monitor the number of in-store visits from your direct mail

Phone inquiries: Track the number of phone inquiries or orders that can be attributed to your mailer

Coupon redemptions: Measure how many recipients redeem coupons or special offers in-store

Calculate ROI and success metrics for holiday direct mail

Once you've collected data on the performance of your holiday direct mail campaign, it's time to analyze the cost-effectiveness and revenue generated. Calculating ROI and other success metrics is crucial for assessing the campaign's overall impact:

1. ROI (RETURN ON INVESTMENT)

Calculate your ROI by subtracting the total cost of your direct mail campaign (including design, printing, postage, and tracking expenses) from the revenue generated from direct mail-influenced conversions. Then, divide this figure by the total cost and multiply by 100 to get the ROI percentage.

2. COST PER CONVERSION

Determine the cost per conversion by dividing the total campaign cost by the number of conversions attributed to your direct mail campaign. This metric helps you understand how efficiently your campaign is driving results.

3. CONVERSION RATE

Analyze the conversion rate specific to your direct mail campaign. Compare it to your average conversion rate to assess the campaign's effectiveness in driving conversions.

4. REVENUE GENERATED

Calculate the total revenue generated from your direct mail campaign by summing up the sales, inquiries, or other desired actions attributable to your mailer.

5. CUSTOMER ACQUISITION COSTS (CAC)

Evaluate how much it costs to acquire a new customer through your direct mail efforts. This metric is particularly important for understanding the long-term value of your holiday campaign.

Essential reading: The Best Metrics to Measure Direct Mail Effectiveness

By implementing tracking mechanisms and carefully measuring the impact of your holiday direct mail campaigns, you can assess your ROI and success metrics accurately.

RECOMMENDED READING

The Modern Marketer's Guide to Crush ROI & Budget Goals with Direct Mail

Conclusion:
Wrap up success with holiday direct mail

In this ebook, we've explored the significance of leveraging personalization and customer preferences and the importance of testing, iteration, and audience segmentation. We've also discussed the critical aspects of timely delivery, tracking, and attributing campaign performance.

LET'S RECAP THE KEY TAKEAWAYS:

Holiday direct mail is a powerful channel for driving results. By harnessing the insights from your past campaigns, integrating direct mail into your omnichannel approach, and continuously testing and optimizing, you can create a holiday strategy that stands out and connects with your audience.

The potential of data-driven holiday direct mail is immense. It's not just about sending out promotions; it's about strategically engaging your audience with personalized, timely, and meaningful messages.

As you gear up for the holiday season, we encourage you to take action. Implement the strategies and tactics outlined in this ebook and unlock the potential of holiday direct mail. Your holiday campaign can be a game-changer for your business, driving revenue, increasing customer engagement, and leaving a lasting impression.

Explore our **Resource Center,** where you'll find additional insights, templates, and case studies to fuel your holiday direct mail success.

Whether you're just starting or looking to enhance your existing direct mail marketing campaigns, we're here to support you.

Request a demo, and let's work together to create memorable, data-driven holiday direct mail campaigns to make this season one to remember.

Lob