



NEW
Whitepaper



DON'T CALL IT A COMEBACK: THE EVOLUTION OF DIRECT MAIL IN A ROAS-DRIVEN WORLD

Don't Call It a Comeback

The Evolution of Direct Mail in a ROAS-Driven World

Banner blindness:

The ability of consumers to ignore or overlook digital advertisements.

Marketing's ultimate goal is to capture your audience's attention and drive them to act — hopefully that's a purchase. But with the proliferation of digital ads and email marketing, consumers are inundated with online advertisements they may never actually see.

It's no wonder why the direct mail spend was almost \$43 billion in 2022 and is expected to remain stable through 2026.¹ Spending is high because the tactic works throughout the funnel — from acquisition to retention to reactivation to advocacy.

Only 44% of people can recall a brand immediately after seeing a digital ad, compared to 75% of people who receive direct mail.

Source: [MarketingProfs](#)

Why is direct mail so powerful?

Direct mail offers a tangible and physical presence that engages recipients in a unique way. Time and again, consumers have stated that they welcome receiving relevant direct mail in their mailboxes.

Over time, direct mail has evolved to take advantage of new print technologies to improve effectiveness and engagement. Direct mail also harnesses digital technologies such as retargeting to drive the strongest return on advertising spend in the marketing mix.

Direct mail is a critical campaign component proven to drive higher response rates in conjunction with other marketing efforts. For example:

- ❖ Direct mail recipients purchase 28% more items and spend 28% more money than people who don't get that same piece of direct mail.²
- ❖ Customer retention rates are 90% higher for omnichannel compared to a single channel³.
- ❖ 30% of customers who engage with multiple channels spend up to 30% more than single-channel customers.⁴

Direct mail requires 21% less cognitive effort to process than email.

Source: [Small Biz Genius](#)

¹ [Direct mail marketing spending in the United States from 2021 to 2023](#), Statista, 2023

² 25 Direct Mail Statistics to Write Home About, SmallBizGenius, 2023

³ Omnisend, 2020

⁴ RIS News

Are you ready to elevate your next campaign? While digitization has become the norm, it's time for brands to reconsider direct mail and how it can provide real, measurable results.

When 74% of marketers agree that direct mail delivers the highest ROI of any marketing channel⁵, now's the time for brands to reconsider the use of direct mail as part of their marketing mix.

Direct Mail for Retargeting: Timing is Everything

The end game of every direct marketing effort is conversions. So, an important part of the marketing mix is driving traffic to your website.

Retargeting allows you to send direct mail to those who are highly likely to convert. It's just as important to understand who *not* to mail to because they will convert anyway, maximizing incremental ROI. Programmatic direct mail takes retargeting a step further. Instead of sending out mass mailings to a broad audience, programmatic direct mail uses data-driven automation to send personalized printed materials to retarget specific individuals based on their online behavior.

“Programmatic” refers to the use of software and algorithms to automate buying, placement and optimization of digital ads, so you can target specific audiences in real-time, based on their online behavior and interests. The process begins with the collection and analysis of data from your digital marketing efforts (website visits, email interactions, social media engagements, etc.) and uses the data to create customer profiles, identifying those with a high likelihood to make a purchase.

U.S. spend on programmatic direct mail campaigns driven by web-based triggers or behaviors was estimated at \$750MM in 2022 and forecasted to grow 19% (compound annual growth rate) through 2026.

Source: [Winterberry Group](#)

Robust growth forecasts reflect a shift toward direct mail campaigns that connect the online buying journeys with offline messaging.

Source: [Winterberry Group](#)

Once these prospects are identified, a direct mail piece is generated, with the goal to create a perfectly timed reminder to draw them back for a purchase.

National jewelry retailer Gorjana, an early adopter of programmatic direct mail, has achieved over triple-digit incremental growth on both response rate and lift with retargeting postcard campaigns. Company CMO Elton Graham says, “From a return-on-investment perspective, it

⁵ State of Direct Mail 2023

continues to be one of our strongest channels and gives us an ability to get directly inside prospects' homes.”

The power of immediacy

With retargeted direct mail, a mail piece can be sent within 12-24 hours of a digital interaction. And when that mail is hyper-targeted and sent while a brand or product is still top of mind, marketers saw a 300-400% lift in conversion rates when targeting cart abandoners specifically.⁶ Sixty-five percent of marketers reported an increase in website traffic and 47% reported an increase in conversions.⁷

Steps for smarter retargeting

Once you know what's working and what's not, you can maximize efforts where they are most lucrative. Taking the time to implement smarter direct mail remarketing strategies can significantly drive better results. For example:

- ❖ **Segment your audience.** Analyze data to create well-defined segments to enhance the effectiveness of your campaign. Only mail to those who are most likely to purchase.
- ❖ **Personalize.** The more personalized the communication, the better the response rate. That's because you're tailoring your message to resonate with the individual, not a mass group. Ex. Using the customer's first and/or last name or an image of a recently purchased or viewed item online.
- ❖ **Include a powerful CTA or offer.** A CTA should be clear, concise, and compelling. Whether it's visiting your website or redeeming a coupon, experiment with what works best for your customers.
- ❖ **Create a sense of urgency.** This can be a powerful motivator, increasing the chances of an immediate response. For example, you may communicate a limited-time discount or the scarcity of a product.

⁶ *Leveraging Trends in Digital Marketing to Use in Direct Mail*, National Postal Forum, May 8, 2018

⁷ *Direct Mail Conversion Research*, USPS, February 2019

Attribution: Giving credit where credit is due

Direct mail also allows for highly accurate attribution rates, especially when combined with holdout groups that allow you to measure incremental ROAS (return on ad spend).

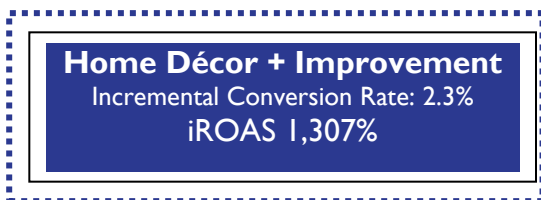
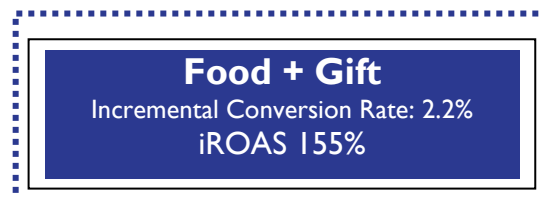
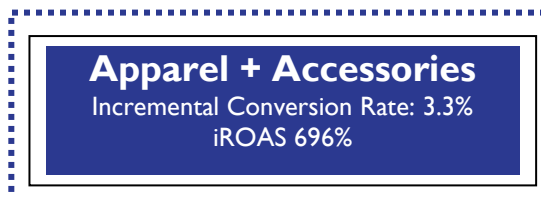
Incremental ROAS considers baseline sales achieved without any specific marketing activities. For example, you post a new product on your website, and it organically generates some sales. So, you add one additional element — a direct mail piece. By analyzing the results, you can determine the incremental ROAS achieved solely by the addition of the direct mail effort.

ROAS achieved by LS Direct's Boomerang *direct*[®] solution

For LS Direct clients, a high ROAS indicates a growing demand, informing decisions about inventory management, pricing and even product development. At LS Direct, we have significant experience with postal retargeting to grow ROAS for our clients in the apparel and accessories industry; food and gifts industry, home décor and improvement industry; and home furnishings industry.

Boomerang is our strongest direct mail solution for postal retargeting, identifying online shoppers/browsers, even if they've never logged in to your website.

Here's how the following industries stacked up in conversions and incremental ROAS in 2022:



Start Seeing Results

Don't let your competitors gain an edge while you wait. Take advantage of the proven power of direct-mail retargeting! At LS Direct, we'll help you find the most targeted options for reaching your customers and prospects with timely, effective marketing.

Get a demo of our Smart Dash™ solution so you can see firsthand how we drive 1:1 attribution, boost incremental ROAS, increase ROI and so much more. Our team of experts will guide you through our process, ensuring maximum impact and results.

Let's start the conversation. [Contact](#) us today.

About LS Direct

LS Direct is the leader in digitally driven direct mail. Our dynamic marketing technology provides the ability and speed to send highly personalized, intent-driven programmatic direct mail to convert prospects and website visitors, retain customers and reactivate lapsed buyers. We help our clients drive customer conversion and achieve proven incremental ROI at every stage of the buying journey. We are the trusted one-stop partner for predictive analytics, creative services, printing, mailing, and business intelligence. LS Direct is a privately held company located in Suffern, NY. To learn more, visit [LSDirect.com](https://www.lsdirect.com).