How to Make Your Direct Mail Assets Even More Valuable

Using a Customer Data Platform to leverage customer data from every touch point

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The stay-at-home behaviors necessitated by COVID-19 produced an unexpected benefit for catalog retailers: a greater focus on — and consumer appreciation for — direct mail. Catalogs specifically grew in value as consumers sought ways to see and learn more about products outside of a brick-and-mortar store setting.

A 2020 Valassis study indicated that 30% of consumers were spending more time reading marketing or promotions delivered to their home mailbox than prior to the pandemic. Additionally, 50% of retailers surveyed by the U.S. Postal Service say they use a catalog as part of their marketing and customer contact mix.

These retailers are constantly seeking ways to maximize the value of their catalog and direct mail assets. They are always hungry for data, particularly customer data, that will help them:

- **Create more relevant segmentation within their mailing lists**

- **Track interactive elements of catalogs, such as QR codes**

- **Measure potential customer demand for more specific offerings, including "spinoff" catalogs and category-specific catalogs**

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This level of analysis and insight is difficult, however, without the right customer data platform (CDP) in place — one that can draw in data from multiple systems and workflows. With a centralized location for customer data, catalog marketers can segment on demographic, behavioral and purchase data regardless of the original source of that information. A CDP is a valuable tool for creating a unified view of each customer — a basic step on the road to offering customer experiences that are more targeted, personalized and relevant to each shopper.

Read on to learn multiple ways that direct mail marketers can enhance the value of their catalogs as both branding tools and sales channels.
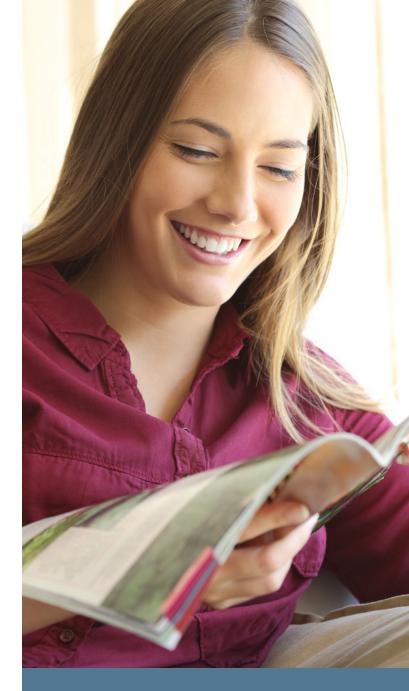
Integrate Valuable Customer Data From Every Touch Point

The modern customer journey typically encompasses multiple channels. Consolidating the data from across all those interactions creates comprehensive visibility that can help retailers measure the customer journey across channels to answer questions such as:

- Is my Lifetime Value higher for customers acquired by catalog or social?

- Should my new customer series include a postcard or just email?

- How does purchase category affect customer retention?

- How many site visits will a prospect make after receiving a catalog before purchasing and how long is the catalog contact relevant?

True effectiveness is no longer about the results measured in any one channel, but instead about the performance of the whole.

A robust CDP allows you to connect data from multiple systems and across every touch point to eliminate and prevent silos and disjointed records. With that insight, you can finally understand your business performance from a holistic perspective and develop strategies to leverage your marketing assets in combination, sequencing them for best impact depending on your strategic goals.

Customers who receive both emails and catalogs from a brand experienced **+15%** in sales and **+27%** in inquiries over those who received only emails.

Source: Harvard Business Review, February 2020

Step Up Your Segmentation

Most established catalogers already have a segmentation practice in place, with a budget and infrastructure built around their strategy. They may also have data that goes back several years or more. Maintaining consistency with previous initiatives is important, and one key in today's data-rich, fast-moving retail environment is to evolve your approach to segmentation without abandoning your current program. Brands can begin by leveraging the capabilities of a CDP to integrate additional data points that align with specific strategies and goals, helping you answer questions such as:

- Has the customer clicked on an email recently?

- Have they built a cart on the website?

- Are there flags that indicate a customer may be a reactivation opportunity?

- What behavioral or demographic data points are correlated to success of a specific offer?

Recency of engagement and lifetime value are other common metrics retailers can leverage to further direct their segmentation efforts.

With the right blend of data points, a CDP enables you to move beyond ground-level segments and perform data analysis to zero in on the most meaningful segmentation. You can begin with a hypothesis about a segmentation variable, for example, then create holdout groups and run your test to measure the results. Feedback loops then increase the value of your testing efforts, where the CDP captures the outcomes of your tests and uses data visualization tools to identify which segments had high response rates or which tests performed well.

Drive Engagement With Tech-Enabled Elements

A growing array of interactive elements can help retailers derive more value from direct mail assets. One example that's well known to many brands is the QR code: customers scan a two-dimensional bar code with their smartphone or other mobile device to receive additional information about a product or event. Other technologies, such as augmented reality (AR), continue to emerge that can enable powerful interactions and help retailers find new ways to connect catalogs with their digital assets.

Tech embedded in catalogs has historically served to help track engagement, but its use now extends far beyond that. These interactive elements help to create a stronger connection to catalogs and mailers, making them highly relevant to that customer in that moment. You can then tap into the capabilities of a CDP to further leverage interactive components, harvesting key data points and turning them into additional marketing touchpoints such as an email or product offer that shows up in the customer's inbox, for example. In addition to driving conversions, interactive elements can also identify shoppers who may be interested in additional catalog offerings, or those who might be candidates for personalized offers, a loyalty program or a subscription box.

CASE IN POINT

A backyard living retailer may provide an AR application that allows customers to upload an image of their patio or pool area, then overlay furniture and other items from the catalog onto the image. Shoppers can see if a new table fits in their available space or how many planters they need to block an unattractive view.

Personalize Catalog Offerings For Your Target Audience

Retailers often create separate catalogs based on seasonality, product categories or activities. Organizations that manage separate brands under one corporate umbrella may produce a wide array of highly targeted catalog assets. For these retailers, using a CDP can help identify opportunities for product-specific catalogs that target specific segments and meet customers' ever-increasing demand for personalization.

Complementary products may provide a logical avenue to begin building deeper connections with select shoppers. The right CDP can help uncover which customers currently receiving your outdoor gear catalog, for example, are pet owners. That data could point to an opportunity for a spinoff catalog featuring hiking or camping equipment that enhances those activities for pets and the people who care for them.

But upselling or cross-selling isn't the only value of highly targeted niche catalogs. By blending the right mix of offerings, you also can further tell your brand story and deepen the relationship with your customers. Effective personalization resonates in the areas of their lives that are most important to them.

Analytics driven by the CDP enable you to maximize your current investments in your catalog assets as well as within your existing customer base — all while expanding your reach into consumer segments that may not have shopped with you yet. Whether you want to target entirely new customer bases or drive traction across new product categories with your current shoppers, the right CDP delivers insight into your customer segmentation that helps you connect specific shoppers with niche catalogs (and products) they'll love.

Research shows that people keep catalogs on hand for an average of about **20** days.

Source: U.S. Postal Service, "Catalogs: Trends and Updates," 2017

Catalogs and other direct mail assets represent significant investments. The right CDP helps drive additional value from your existing collateral and identify new opportunities to create catalogs that resonate with shoppers. You'll have the insight and analytics that allow you to gather and understand data from your full suite of selling channels and customer touch points. This will help you enhance your segmentation efforts, more effectively utilize technology elements embedded in your catalogs, and develop highly personalized offerings to engage customers and strengthen your brand story.

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QuickPivot is the premier customer data platform for brands looking to know, target and engage their customers. QuickPivot empowers marketers to make data-driven decisions and develop advanced cross-channel campaigns. The QuickPivot platform is backed up by a services team laser-focused client success.

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