

YOU'VE BEEN DUPED

The Top 5 Myths That Trick Marketers
Into Thinking Digital Is The Only Way To Grow



eBook

YOU'VE BEEN DUPED.

Today, direct-to-consumer (DTC) and digitally-native brands bypass traditional distribution channels to connect directly with their audience.

Digital advertising is key to building this one-to-one connection and achieving hyper-growth goals. With a low barrier to entry, a relatively cheap way to launch far-reaching campaigns, and the instant gratification of online tracking, it's obvious why digital advertising accounts for a majority of a brand's ad spend.

One-problem, digital saturation is causing customer acquisition costs to skyrocket.¹

Realizing they must diversify their customer acquisition strategy if they want to remain profitable, cutting edge brands are turning to measurable, impactful and data-driven direct marketing tactics like direct mail. Still not convinced direct mail is for your brand but curious to learn more? Perfect.

In this ebook, we bust the top 5 myths that often hold back digital-first marketers from diving into direct mail and turning it into a top strategy for growing their user base and increasing customer lifetime value.

"Customer acquisition costs (CAC) are climbing to an unsustainable level."

Mary Meeker

Annual Internet Trends Report



MYTH #1

IT'S ALL ABOUT THE REACH.

Many digital platforms have marketers convinced that CPM is the number that matters. Marketers say, "If I go digital, I can have a big share of voice for a low CPM. I'm really stretching my dollar. Go me!" But does it matter what your share-of-voice is if it's not the right audience and the results aren't being tracked accurately? Focusing on CPM is like living on a diet of fast food. Sure, it's cheap, quick, and gives instant gratification, but it's not sustainable as it doesn't consider your long-term health goals.

TRUTH

You should focus on the end game, and that's the CPA. Speedeon can help you understand the real cost of acquisition through closed looped reporting that connects your targeted audience back to the actions they take online and offline.

Direct mail ROI is on par with digital marketing channels. According to Marketing Profs, direct mail has a 29% return on investment while social media is at 30% and online display is at 16%.²

MYTH # 2

DIGITAL IS EASIER TO MEASURE.

In digital, measurement is just a pixel and a click away. But your consumers don't live their lives in silos, so your measurement shouldn't either. Not only is measurement of direct mail possible, it's straightforward and actually can give your marketing credit where credit is due, unlike shortcut tactics like a "last click attribution".

TRUTH

Direct mail can be measured just as easily! By creating test and control audiences, you can measure the delta, or incremental impact, that your direct mail strategy is driving to your bottom line. In addition to linking your investment back to customer acquisition and spend, we can also go a layer deeper, and help you better understand the audiences who are and are not responding. By testing various creatives, you can also use direct mail to unlock insights like which messaging offers are driving responses among key audience segments.

Direct mail doesn't live in a silo and can actually boost your digital strategy. In fact, 60% of direct mail recipients visit the website of the company that mailed them.³



MYTH #3

DIRECT MAIL IS A HEAVY LIFT WITH A STEEP LEARNING CURVE.

Data and mailing lists, creative execution and printing, postage and measurement - at first glance, direct mail can seem daunting. Especially for lean teams focused on digital strategies, direct mail may seem unproven and simply out of reach due to bandwidth.

TRUTH

No experience or extra resources are required to make direct mail a success.

When you partner with Speedeon, you'll avoid costly mistakes and get in the market quickly. As a direct marketing agency that provides end-to-end services, we infuse decades of knowledge and best practices into the entire strategy. We handle the heavy lifting - from audience creation to printing to measurement - all while educating your team along the way.

*Speedeon clients completely new to direct mail typically launch their first direct mail campaign in as fast as 45 days and achieve response rates **10 to 30 times higher than digital** channels.*



MYTH #4

DIRECT MAIL IS A DINOSAUR.

Emerging, direct-to-consumer brands are anything but stuffy. They're modern, fresh, and push to deliver consumers products and experiences in new and innovative ways. Direct mail's longevity and physical nature may cause marketers new to direct mail to believe it's an old, slow-moving, out-of-date tactic that hyper-connected audiences will tune out.

TRUTH

Direct mail is key to a diversified growth strategy. In fact, some of the coolest, high-growth brands are leaning into direct mail because it works. Direct mail offers an endless number of opportunities for creativity and brand messaging that go far beyond a digital display banner. And in comparison to broad reach channels like TV, direct mail allows you to test offers and messaging at the individual level. Brands can then translate those learnings across their other spend.

Millennials say direct mail is more effective at getting them to take action than email.⁴

“Direct mail is a medium, unlike anything else, that helps us diversify ourselves and tailor our messaging. Because we’re in hyper growth mode, and we primarily use direct mail for prospecting, we actually use our first party and various third party data sources to develop segmented mailing lists at scale.”



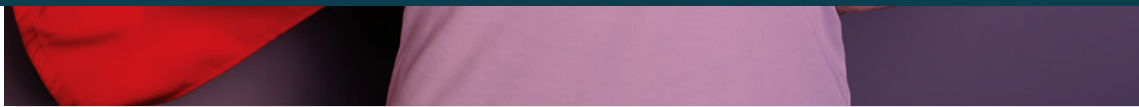
*John Esmeraldino
Manager of Media and Demand Generation
Speedeon Client*





MYTH #5

I NEED TO GUARD MY CUSTOMER DATA.



Brands understand that their customer data is an incredible asset. Unfortunately, some brands find this offline data so valuable that they are reluctant to share it with key partners. Meanwhile, their site is bloated with third-party tags, potentially leaving them over-exposed to a daisy-chain of tech companies and at risk for data leakage.

TRUTH

Safely sharing your customer data to identify your next best prospect is a worthwhile endeavor, especially since 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 In fact, leveraging your first party data to build highly predictive look-alike models, which is just one of the strategies that Speedeon's data and analytics can bring to life, is actually a much safer brand decision than relying solely on cookies and retargeting strategies.

Case Study:

Online Retailer Turns to Direct Mail to Boost Response Rates by 77%

Problem

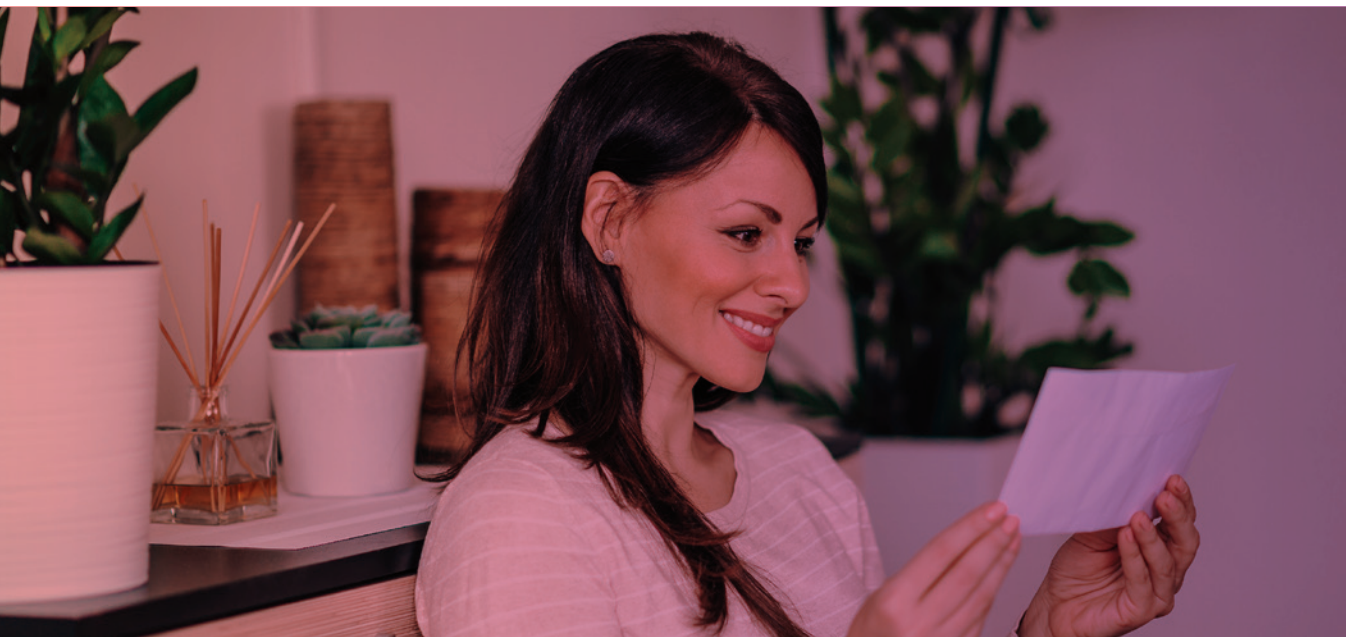
A Silicon Valley online retailer maxed out their digital ad investments. When they hit a point of diminishing returns coupled with rising media costs, they knew it was time to diversify their acquisition strategy.

Solution

The booming D2C brand turned to Speedeon to develop a predictive model to reach hot prospects. Speedeon's in-house data science team, AI-machine learning techniques and rich consumer database covering 217M individuals and 118M households made it possible.

Results

Over 200,000 ideal prospects received a creative, eye-popping piece in their mailbox. The result? **The top decile of the model responded to the retailer's CTA at a rate 77% higher than the control group.**



What you get when you partner with Speedeon

- ✓ **Scale** - National database ensures audience reach.
- ✓ **Predictive Power** - Data scientists develop custom audiences of hot prospects.
- ✓ **End-to-end Management** - Our dedicated account teams handle all the details.
- ✓ **Best Practices** - Leverage our years of experience working with leading brands.
- ✓ **Measurability** - Tie back each campaign to real-world results.

To find out if direct mail is the right channel for your brand, contact Speedeon today to schedule your strategy session and receive your

FREE AUDIENCE ANALYSIS REPORT

We'll help you forecast your future direct mail ROI. Contact us at marketing@speedeondata.com to get started today.



The Direct Marketing Partner for Brands with Hyper-Growth Goals

Sources:

- 1 - <https://marketingland.com/d2c-brands-are-driving-up-customer-acquisition-costs-and-its-time-to-course-correct-264293>
- 2 - <https://www.smallbizgenius.net/by-the-numbers/direct-mail-statistics/#gref>
- 3 - <https://www.uspsoig.gov/blog/5-day-delivery-what-about-3-day>
- 4 - <https://www.dmnews.com/marketing-channels/direct-mail/article/13035383/using-direct-mail-to-win-at-engagement-marketing>