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The Re-emergence of Snail Mail,...

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Marketing Channel

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The Re-emergence of Snail Mail

Conventional wisdom has long held that postal services and the “Snail Mail” they deliver are doomed to extinction at the hands of email and SMS marketing. But as email inboxes are increasingly deluged by spam, marketers are rediscovering the value of Snail Mail – as a premium delivery channel for targeted direct mail to evade the spam folder graveyard.

Snail Mail: No more the poorer cousin of eDM

Most readers of the Spire E-Journal would receive Direct Marketing messages via at least five distinct platforms – phone calls, email, short messages via mobile phone, street intercepts and physically mailed items, playfully dubbed “Snail Mail.”

It has long been a truism that Snail Mail is doomed to obsolescence at the hands of electronic direct marketing (eDM). Instead, however, it appears that Snail Mail is seeing a renaissance, driven by a surprising factor. Low costs have attracted hordes of marketers to engage in email and SMS marketing, resulting in a consumer backlash. In many cases, consumers now actively block incoming spam mail, or at the very least delete it quickly, according it minimal mindshare. This has opened the door to the reinvention of Snail Mail as a premium platform for offering highly targeted direct marketing collaterals, sometimes bundled together with statements from banks or utilities.

eDM and Snail Mail compared

While Snail Mail and eDM may appear to be polar opposites, both platforms have been influenced by similar trends in the way they are deployed.

- Personalization – With the right data, both eDM and Snail Mail can be targeted at specific market segments, helping to increase the relevance of the material and consequently the response rates.
- Lower cost per response - The result of the above is a lower cost per response compared to less targeted approaches, such as for example telephone direct marketing using general residential phone directories.
- Measurability - Both Snail Mail and eDM allow tracking of response rates and consequently the return on investment on each campaign.
- Confidentiality – Users of both eDM and Snail Mail can communicate their message to their specific customers or prospects without letting other customers and competitors know.

The two platforms also share some disadvantages:

- Negative perception – Anyone who has an e-mail address and a mailbox will probably complain about being deluged by junk mail.
- Short life span – Due to the above, both eDM and Snail Mail get opened over a trash-bin (literally and figuratively speaking). And even if they are not thrown away or deleted, they can be easily forgotten.

While there are commonalities, Snail Mail marketing is differentiated from its electronic cousin and offers certain benefits. These are:

- 🌐 The personal touch - Receiving a tangible, physical item such as a letter is usually experienced as a more personalized and involved form of outreach than receiving an email or SMS.
- 🌐 Additional tactile experience – A physical letter allows at least one extra sensory experience, namely the touch and feel of the paper, aside from the smell and sound in some cases.
- 🌐 Less intrusive – Snail Mail, unlike eDM, has a higher chance of getting read when the recipient is more relaxed, such as when they get home from work.

There are also some trade-offs inherent in using Snail Mail, such as:

- 🌐 Cost - Aside from postage costs, Snail Mail also involves material and printing expenditure. These can vary greatly depending on the design, the quality of material and printing to be used, as well as the number of elements (brochure, letter, reply envelope, etc).
- 🌐 Less tracking information - Snail Mail's effectiveness can only be tracked in terms of the response rates, while eDM platforms can tell you the number of bouncing, deleted, unopened, or opened e-mails. Therefore, in Snail Mail, fewer clues are available to explain response rates and improve the next campaign.

🌐 Use of Paper: Snail Mail requires much paper and this can be seen as environmentally irresponsible (though in point of fact it need not be if the paper used is sustainably produced). However, in emerging countries, where environmental awareness and e-mail penetration is relatively low, this concern tends to have only a marginal impact.

In 2009, Snail Mail's general volume declined as a result of the global financial crisis which hit heavy users of Snail Mail particularly hard, such as the financial, property, publishing and retail industries.

However, despite this decline, the overall quality of Snail Mail DM has seen an upward trend. Supported by advances in CRM infrastructure such as improved database quality, Snail Mail is now being used more intelligently.

Lisa Watson, Chairman of the Direct Marketing Association of Singapore notes that "Given the prevalence of digital relationships, it's easier to collect data beyond just names and contacts, and this enables marketers to increase the customization and relevance of all communications, including Snail Mail."

"More and more, marketing campaigns are using a combination of Snail Mail and e-mail, along with other channels."
Lisa Watson, Chair of DMAS

Watson also highlighted the integration of Snail Mail with eDM. "More and more, marketing campaigns are using a combination of Snail Mail and e-mail, along with other channels." She mentioned that while above the line media raises awareness, Snail Mail pushes the

readers to act, and eDMs gives them a platform to respond or even to make the purchase.

Given these trends, many established players, both in the public and private sectors, have taken steps to exploit this opportunity in Asia. Spire takes a closer look at a few notable examples below.

Fuji Xerox

Fuji Xerox, a leading copier manufacturer, offers a wide range of professional services that support direct marketing. The company has developed comprehensive solutions to help clients develop and implement one-to-one, multimedia marketing campaigns - from product, software, and advanced application training; to database management, campaign Web and storefront integration, creative design, and others.

The 1:1 Lab operated by Fuji Xerox Asia Pacific is a program that helps clients utilize multiple avenues for direct marketing campaigns.

Case Study: Birthday Campaign by 1:1 Lab for AIA Singapore

1:1 Lab conducted a direct marketing campaign for AIA Singapore, which reached out to its customers through a personalized print and online campaign riding on a CRM infrastructure that customized the messaging for each target respondent.

AIA customers received birthday cards with varying colors, designs and content depending on their demographic profile. The mailer also addressed the recipient by name and was signed by their personal agent.

A key element of the campaign was the personalized URL (PURL) written on the birthday card, which directed the respondent to a customized site containing his or her current details. The recipient's agent's details were also just a click away.

In addition, customized birthday coupons were available at the website - hence using the electronic platform for action, authentication, and feedback.

Helene Blanchette, Go-to-Market Strategy Manager for Fuji Xerox Asia Pacific, emphasized the role of Snail Mail in making the whole campaign a success: "The printed piece was directing the customer to a PURL, which in turn provided us direct access to the customer. We can actually see how they react, and what products they like best. But the birthday card's role was really more to push the customers to act... acting as a gentle reminder when they are more relaxed and ready to read the content." She concluded that "highly personalized Snail Mail and the PURL is simply unbeatable. "

Direct Marketing database and solution providers

Many companies such as AGEON Direct Marketing Services or ADMS, part of the AEGON Group of Companies, operate structured lead generation programs to build a database of potential customers. ADMS then provides its clients with tailored DM solutions directed at these prospects.

Yellow Pages Direct Database Marketing is a company that has emerged as an extension to the Yellow Pages' core business of directory services.

Leveraging its database of contacts, it provides a one-stop solution to deliver personalized messages to targeted audiences. Its services include Database Management, Personalized Direct Mail, Fax, eDM and Telemarketing Follow-Up.

Reader Digest, a veteran of Snail Mail direct marketing campaigns, posts 137 million pieces of direct mail annually leading to 80% of new customer acquisitions.

National Postal Services

Various national postal services, such as Hong Kong Post, have diversified into providing DM services. Marketers as well as advertising agencies actively run "membership" programs with incentives designed to develop and retain a database of target audiences for DM efforts. They also actively run lead generation activities designed to acquire and maintain leads. These activities can be lucky draws, contests, or other promotions.

Singapore Post, (SingPost), Singapore's postal service agency, established a new division, DMrocket, to deepen its direct mail offerings to business customers. DMrocket offers highly targeted list generation, printing services, response handling, and delivery services, riding on SingPost's existing postal network. When launched in 2007, it immediately ranked among the top ten Direct Mail agencies in Marketing Magazine's Agency of the Year Award. The following year, it won first place as Direct Mail Agency of the Year.

Case Study : Campaign by DMrocket for Raffles Hotel Wine, Foods, and Arts Experience

A recent DM success story was DMrocket's campaign for the Raffles Hotel Wine, Foods, and Arts Experience, an annual event aimed at high income customers with very specific profiles and niche interests.

Given the limited number of seats for this exclusive event, DMrocket needed to select from their huge database the 500 most relevant prospective customers. These would have to be people with discerning food and lifestyle tastes.

The DM program incorporated a 1930s style to reflect the Raffles Hotel's heritage. To message the exclusive nature of the event, they used a caricature of a well-heeled lady, scrutinizing a dish, while the waiter nervously looked around, as if looking out for spies. To complete the sense of mystery, the program was hidden inside a hollowed-out hard-cover book. Hence targeted respondents received a brown paper package containing a vintage book (obtained from vintage bookstores), which when opened contained the DM material.

The result? 25% of recipients contacted the organizers either through email or phone, which translated to a 90% capacity fulfilment for the event in just three weeks.

The campaign used e-mails to collect responses, demonstrating how Snail Mail can work well with eDM in the hands of skilled marketers.

Looking forward

Although Snail Mail has declined as a peer-to-peer (P2P) communication platform (i.e. between individuals), the renaissance of Snail Mail DM presents opportunities aplenty for businesses.

The full potential of Snail Mail can be realized when combined with CRM infrastructure and e-DM campaigns, so as to combine uniqueness, personalization and a powerful invitation to act.

Companies such as Hewlett-Packard and Fuji Xerox are already offer printing services or printing software which personalizes graphics and text to meet the need for customization. Fuji Xerox's Helene Blanchette explains: "Digital presses and solutions have enabled Snail Mail to make a strong comeback. Because of variable printing using these digital presses and solutions, direct marketers are now able to address a so-called "mass market of one." In other words, marketers can now use mass printing but at the same time customize the content to a segment of one."

One cautionary note is needed amidst all the excitement – Snail Mail and eDM campaigns are only as good as the quality of the databases they use. Marketers will need to grapple with the decidedly "unsexy" issues of data extraction and data hygiene before successful campaigns can be executed. In an era where privacy concerns are looming ever larger in the minds of both consumers and government regulators - as evidenced by privacy laws in Japan, Australia and Hong Kong - this can only become more challenging.