

USING

DIRECT MAIL

TO BUILD

YOUR

BUSINESS

**A GUIDE TO USING
DIRECT MAIL FOR SMEs**

SEPTEMBER 2015

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INTRODUCTION

HOW DIRECT MAIL CAN HELP BUILD YOUR BUSINESS

Direct mail continues to be one of the most valuable forms of communication amongst Small to Medium-sized Enterprises (SMEs) of all sectors – helping them to generate more business.

Over the last 18 months Royal Mail, alongside partners in the marketing industry, has undertaken a programme of research, which describes and proves the impact of direct mail on consumers.

Over the course of this document, we'll take you through our findings around how people value direct mail and the impact it can have on finding new customers, getting more from existing customers and growing your business.

MAIL IN THE HOME

We carried out extensive research and filmed people in their homes, interacting with their mail. We uncovered some vital insights into how mail flows throughout the average UK household.



39% of people have a dedicated display area in their home where they put mail e.g. the mantelpiece or the kitchen table. This means you should think creatively about ways to encourage people to display your mail so it will be visible to everyone in the household.



An average of **23%** of all mail is shared between people in a household. **21%** of promotions and special offers are shared too. If you give people a positive reason to share or discuss your mail, your business will start being talked about, allowing your message to reach more people.



Mail is kept in a household on average for **17 days** for advertising mail, **38 days** for doordrops and **45 days** for bills and statements. This means a single piece of mail can have a big impact and presents multiple opportunities to be seen.

Source: Royal Mail MarketReach, Ethnographic Quant, Trinity McQueen, 2014.

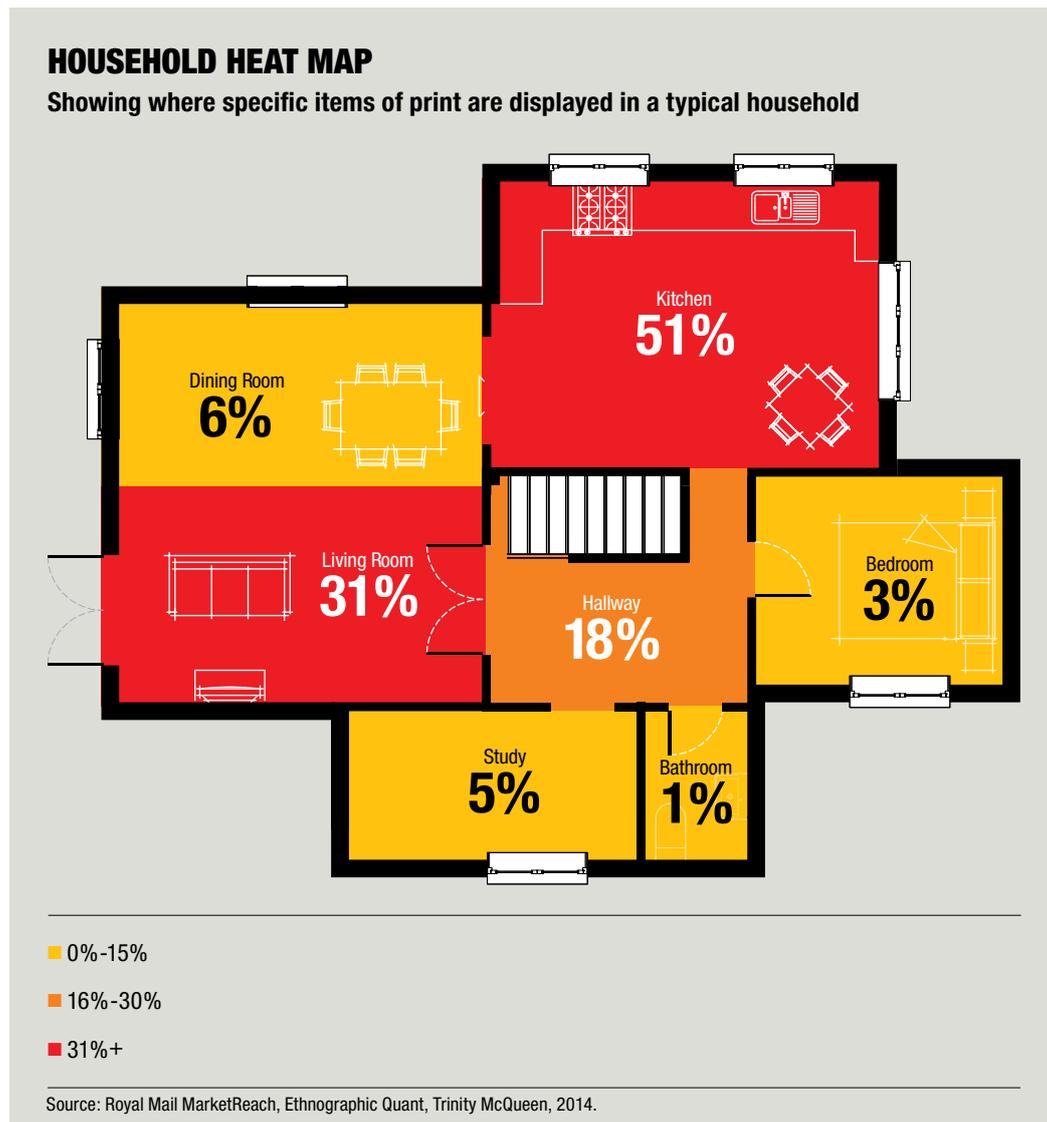
TOP TIP

MAIL IS UNIQUELY POWERFUL. IT IS DISPLAYED, PASSED AROUND AND STAYS IN THE HOME.



STORING AND DISPLAYING MAIL

By studying people in their homes, we found that there was a pattern to how they stored and displayed their mail, with the majority of people displaying their mail in the kitchen, followed by the lounge. Everyone has their own way of sorting and managing their mail, but it is clear it is referred to over and over again.



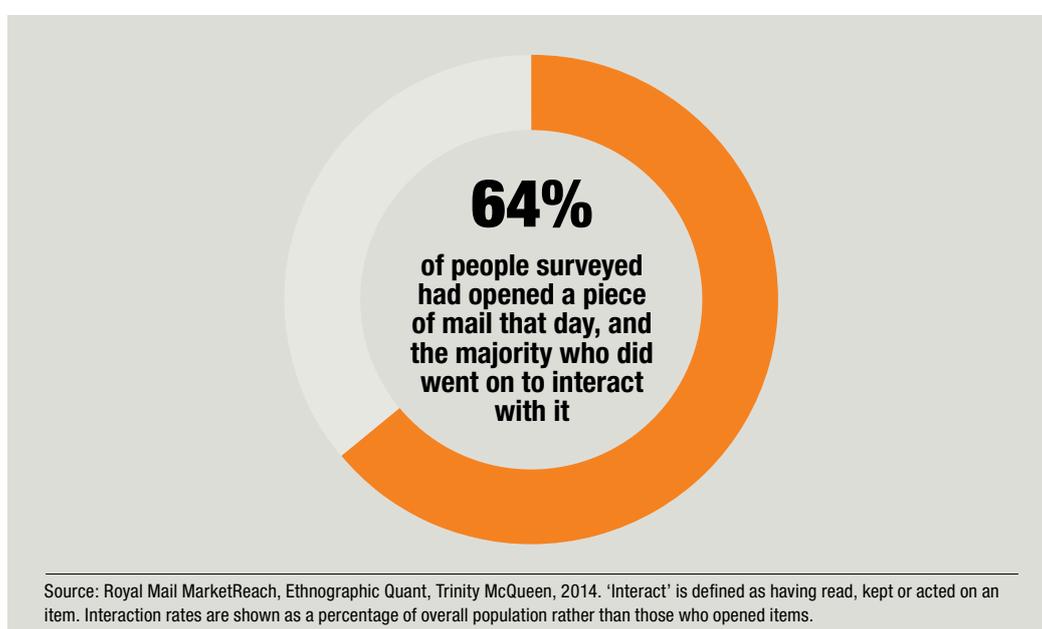
TOP TIP

MAIL BRINGS YOUR BUSINESS INTO SOMEONES' HOME AND ENGAGES WITH CUSTOMERS MULTIPLE TIMES OVER A LONG PERIOD OF TIME.

MAIL IN THE HEART

MAIL IS HIGHLY VALUED BY CUSTOMERS

Because mail stays longer in the home and is viewed more often, we wanted to understand what affect this was having on how customers see mail.

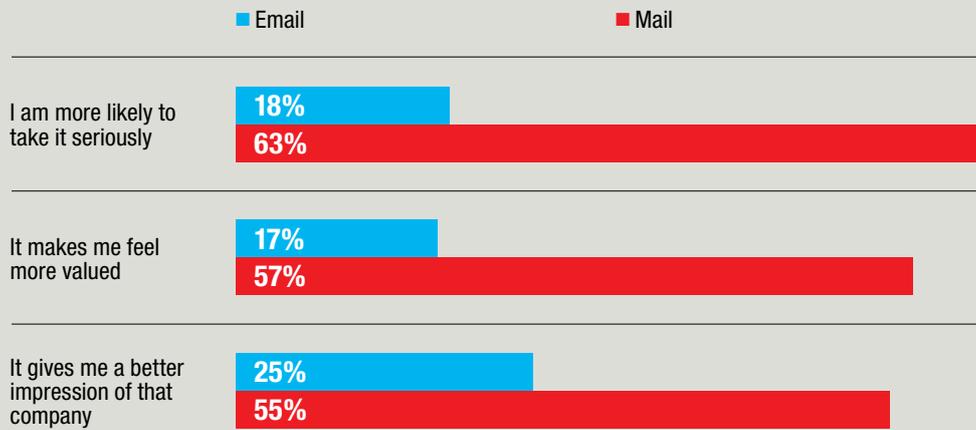


TOP TIP

MAIL IS TAKEN SERIOUSLY. OTHER FORMS OF COMMUNICATION CAN BE IGNORED.

WHAT CUSTOMERS THINK ABOUT MAIL

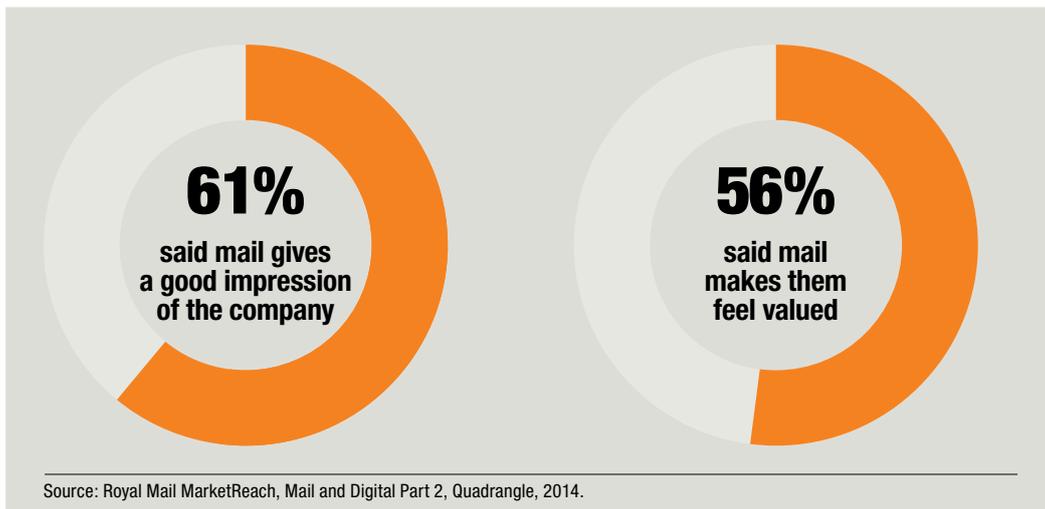
(% True of Mail vs. % True of Email)



Source: Royal Mail MarketReach, Mail and Digital Part 1, Quadrangle, 2013.

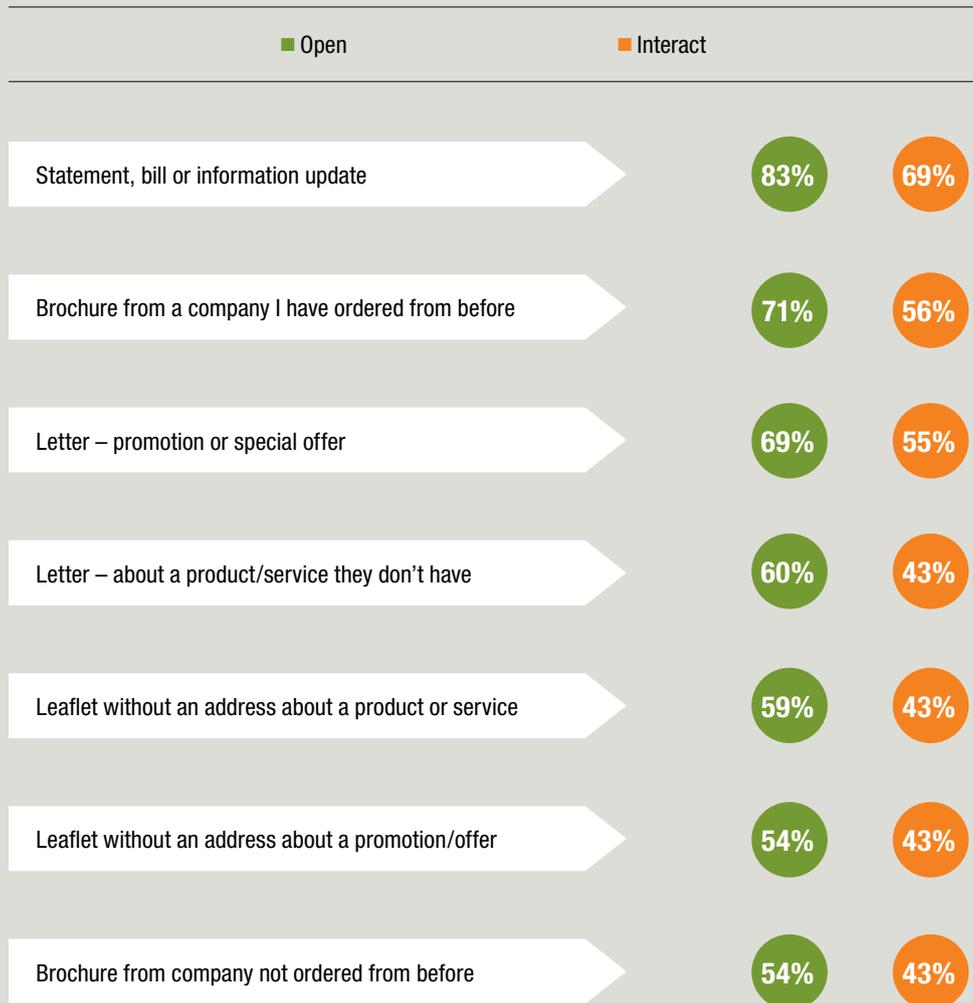
CUSTOMERS VALUE ALL KINDS OF MAIL

Mail creates an instinctive value exchange between the sender and the receiver and it drives strong emotional associations with the business sending it. That's why many SMEs use the opportunity of sending a statement out to include other messages for their customers.



Source: Royal Mail MarketReach, Mail and Digital Part 2, Quadrangle, 2014.

Opening and interaction rates for different kinds of mail



Source: Royal Mail MarketReach, Ethnographic Quant, Trinity McQueen, 2014. 'Interact' is defined as having read, kept or acted on an item. Interaction rates are shown as a percentage of overall population rather than those who opened items.

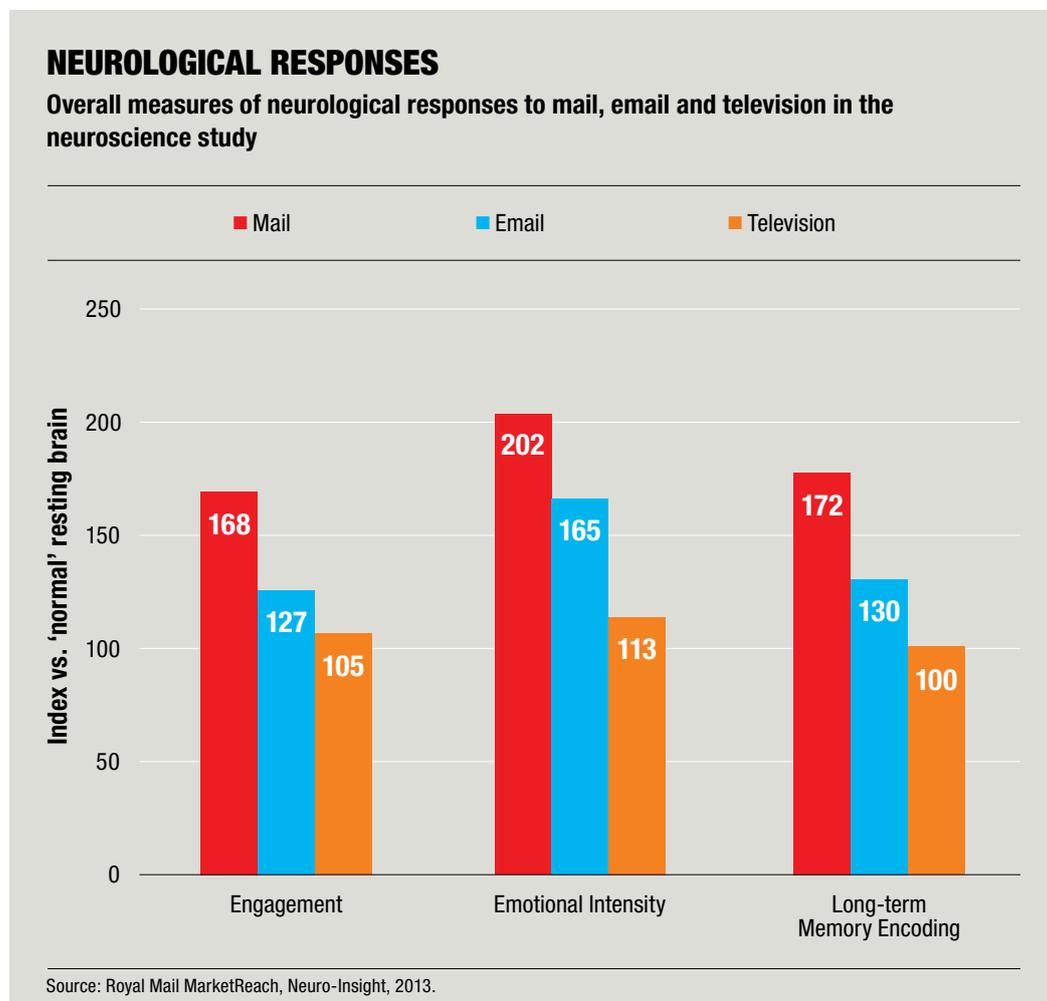
TOP TIP

MAIL MAKES YOUR BUSINESS STAND OUT AND GETS YOU CLOSER TO YOUR CUSTOMERS.

MAIL IN THE HEAD

THE EFFECT OF MAIL

Using neuroscience we observed people interacting with mail, email and television to understand how they react to different sorts of stimulus. What we found was that mail, because customers can feel it and engage with it, had a significant impact on their engagement, emotions and long-term memory encoding.



TOP TIP

CUSTOMERS ACT ON MAIL AND THEY ENGAGE WITH IT EMOTIONALLY.



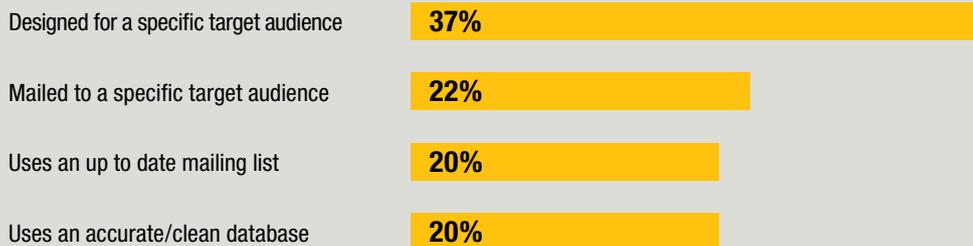
MAIL IN THE WALLET

MAIL CONTINUES TO BE IMPORTANT TO SMEs

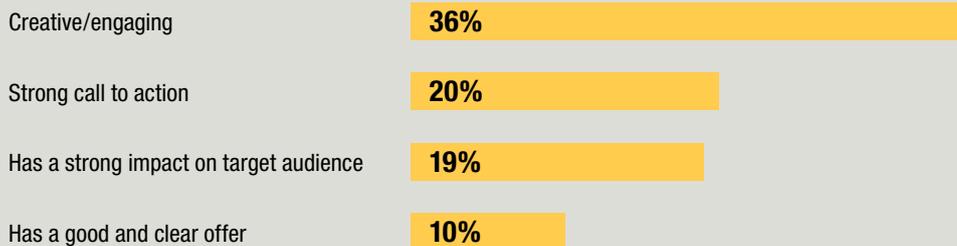
Direct mail is seen as a high quality lead generator with four out of ten businesses viewing it as delivering higher quality responses than other media – based on its ability to drive more customers, cost effectively. In today's multimedia world, it is clear that direct mail is performing a key role in the eyes of SMEs. These are the key reasons that SMEs believe make a successful direct mail campaign.

What makes a successful direct mail campaign for SMEs

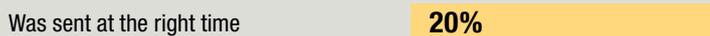
Targeting



Content/Design



Timing



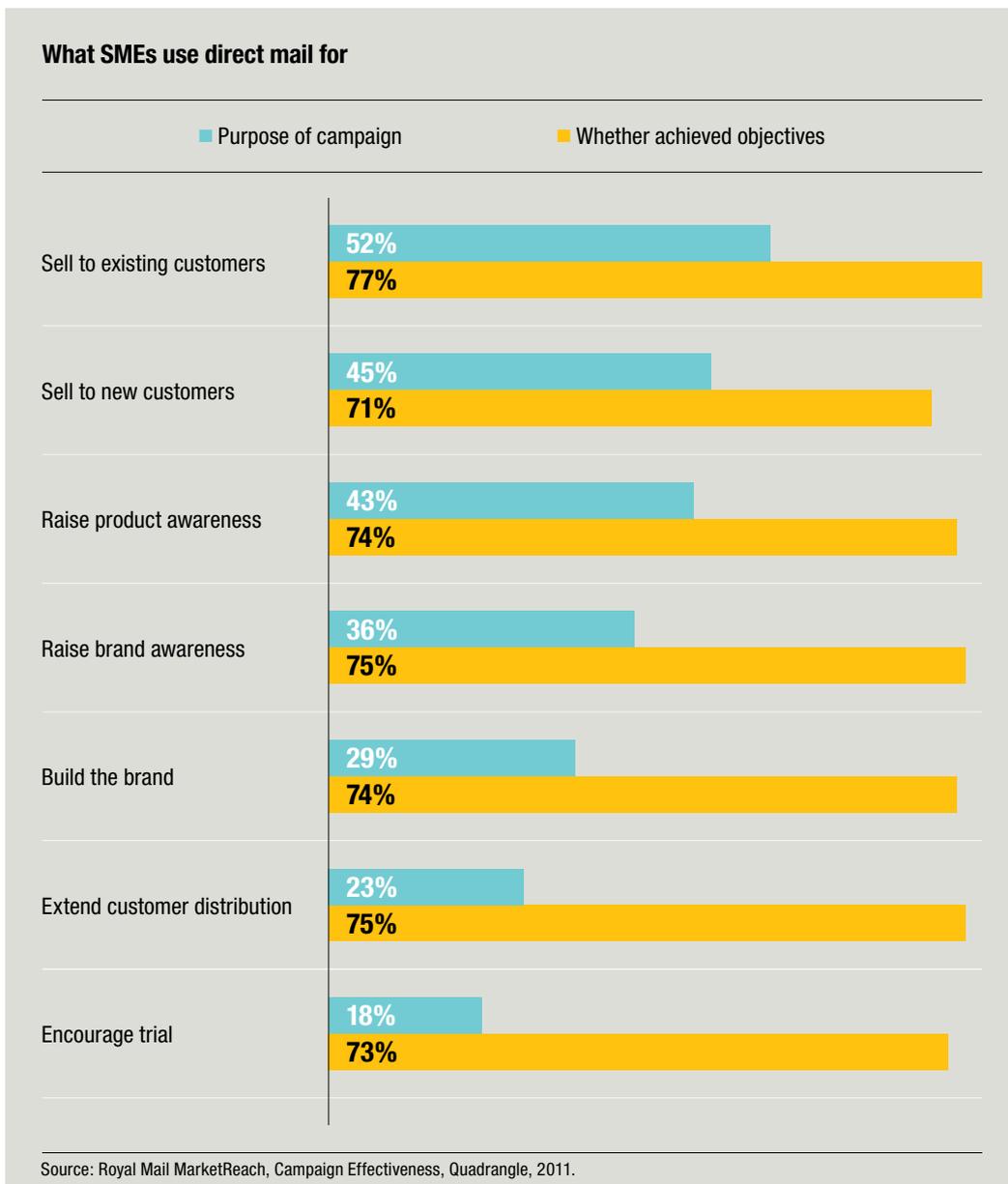
Source: Royal Mail MarketReach, Campaign Effectiveness, Quadrangle, 2011.

TOP TIP

SMEs CONTINUE TO VALUE MAIL AND KNOW WHAT'S IMPORTANT TO MAKE IT PERFORM.

WHAT SMEs USE DIRECT MAIL FOR

SMEs are using mail in many ways to communicate with customers both existing and new. Most mail is used to increase sales from existing customers, closely followed by selling to new customers. When asked whether their objectives have been met, the responses show a high degree of satisfaction with the results. Businesses consistently find that mail helps them acquire, retain and expand their customer bases.



TOP TIP

MAIL ACHIEVES POSITIVE GOALS FOR SMEs AND EXCEEDS EXPECTATIONS.

CASE STUDIES



CANNELLE BEAUTY GETTING CUSTOMERS TO COME BACK

Business

Cannelle Beauty is a chain of beauticians with salons in Oxford and Henley. They have a customer database of around 4,000 individuals.

Direct mail

Cannelle used direct mail as a cost effective and targeted way to 'win back' those who hadn't visited the salon for 9 months or more by offering a 20-25% discount on their next visit.

Results

Typically Cannelle receive a 10-15% response rate from their 'win back' mailings.



We find that we get a better response rate from a card than an email these days.

Emily Johns – Marketing Manager



MOO_boutique

MOO BOUTIQUE MAINTAINING FOOTFALL

Business

Moo Boutique is a small independent boutique in Stockport. They have a limited marketing budget that they use to maintain trade.

Direct mail

Using Royal Mail's Mailshots Online they send out three key invites to events every year; birthday, seasonal sale and Christmas.

Results

One event, on average, generates close to a 400% increase in trade, proving that direct mail drives footfall.



As a small business you don't have the people and the money and the time to do things on a big scale. The impact of Mailshots Online is similar to that you would get from a marketing agency.



Jen McKenna – Moo Boutique Founder



INDIGO MARMOSET MAINTAIN BUSINESS AND SELL NEW SERVICES

Business

Indigo Marmoset is a two-person team offering small and medium businesses strategic marketing and web design advice. Their challenge is to keep their offer relevant and to sell more services to existing clients.

Direct mail

Using Royal Mail's Mailshots Online, Indigo Marmoset is able to communicate with its customers on a regular basis because of the ease and simplicity of using our online resource. It is now the main channel for their business.

Results

One of their latest mailings generated a 4% response rate. They were selling a product worth £300, which delivered them an ROI of 9.5 to 1.



Given that most of our business comes from current clients it is a great way of keeping in touch with them, generating new projects and being front of mind if they have a marketing problem they need solving.



Matt Woodcare – Indigo Marmoset

HELP AND USEFUL SOURCES

To help you plan your direct mail campaign we have some useful sources of information.

We can help with a number of data needs – for example if you want to target Home Movers (great if you are a building or decorating company) we hold the Home Movers database. For more information on our data services please visit **www.royalmail.com/data-services**

Plus, our directory gives you access to a network of companies that produce mail across the UK. To find out more, visit **www.royalmail.com/mail-made-easy**

For a whole host of other useful information on getting the most from mail visit our Business Services page at **www.royalmail.com/business** or the MarketReach homepage at **www.royalmail.com/marketreach**

NOTES



We have a team of media experts and data planners ready to apply these learnings to your organisation.

To discuss how we can help you, call us on **0800 032 1018**
or visit **www.mailmen.co.uk**

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