

Marketing - Article | 4-min. read

## 7 REASONS WHY FINTECH COMPANIES NEED PROGRAMMATIC DIRECT MAIL

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In a competitive market like financial technology, where growing startups brush up against traditional finance companies, marketers need a way to differentiate and convert customers. One way to turn prospects into customers is through programmatic direct mail.

By observing the actions of prospects on your website or mobile app, you can trigger personalized direct mail that is sent out **within 48 hours** of the interaction.

### Direct Mail Has a Huge Impact

Reaching people in their mailboxes can impact growth.

In fact, one financial services company found that 90% of borrowers were acquired through offline channels — the largest of which was direct mail.<sup>1</sup>

#### Compared to emails and display ads, direct mail:

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Generates 10% more customers<sup>2</sup>

**10%**

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Has a 90% or higher open rate (compared to email's 30%)<sup>3</sup>

**90%**

**Drives 60% of consumers back to the website<sup>4</sup>**

**60%**

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**Has a house-list response rate of 5.1%  
(compared 0.06% click-through rate on digital ads)<sup>5</sup>**

**5.1%**

Mail is also secure. There are more than 200 federal laws enforced by the Postal Inspection Service to protect Americans from fraud.<sup>6</sup> This assurance, as well as the less intrusive and more tactile experience of direct mail, leads 76% of consumers to trust direct mail when it comes to purchasing decisions.<sup>7</sup>

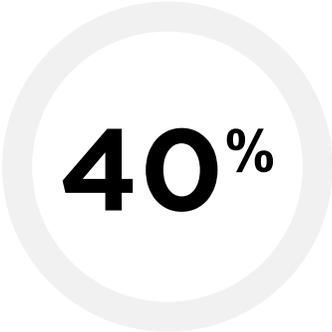
### **Programmatic Direct Mail Converts Prospects**

When you use data gathered from digital channels to inform direct mail pieces, you get the best of both worlds. You can understand what a visitor to your website or mobile app is interested in based on what they looked at, then send a personalized piece of direct mail to help convert them from prospect to customer.

## **7 REASONS TO INVEST IN PROGRAMMATIC DIRECT MAIL**

**1**

**Combining the scale of digital and the efficacy of direct mail yields close to a 40% conversion rate.<sup>8</sup>**



**40%**

In a space as competitive as FinTech, where customer acquisition costs are high, conversion rates matter. When a company sends a personalized email, conversion rates hover between 1% and 5%.<sup>9</sup> A physical direct mailpiece is 8 to 40 times more effective, converting close to 40% of prospects into customers.<sup>8,9</sup>

## 2

**Used together, digital and direct mail can result in 20% or higher response rates.<sup>10</sup>**

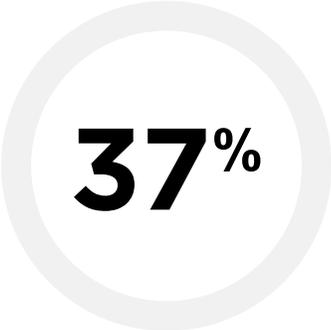


**20%**

That's ten times higher than the response rate for all digital channels combined and more than 200 times higher than the click-through rate for digital retargeting.<sup>10</sup> To get prospects to invest, borrow or bank with your business, consider using programmatic mail to translate digital behavior into an opportunity to engage and ultimately convert prospects.

## 3

**Multi-channel campaigns saw a 37% increase in response over single-channel campaigns.<sup>11</sup>**



**37%**

On its own, direct mail outperforms other marketing channels. But combining direct mail with other digital media, such as email, gives you a greater chance of reaching your customer with the right message at the right time. A site visitor may not be ready to sign up today; if you send regular reminders to their inbox and mailbox, response rates could see growth.

## 4

**One study showed that using direct mail and digital media together increased customer purchase or signup intent by 10x.<sup>12</sup>**

# 10x

FinTech businesses need a sustainable customer base to survive. When digital media and direct mail are used in conjunction, one large study of a telecommunications advertiser showed a brand-to-customer connection that is 10-times stronger than digital-only campaigns.<sup>12</sup> This translates to greater rates of consideration or intent to sign up and could mean a strong opportunity to capture and convert consumers in search of investing, borrowing or banking services.

## 5

**Research has shown that campaigns that use direct mail and digital together produced 10% higher brand recollection than single-channel digital campaigns.<sup>13</sup>**

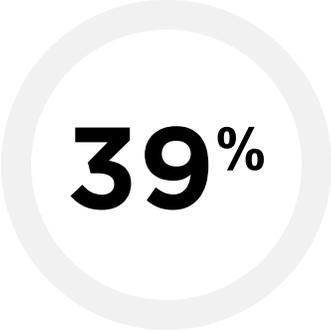


# 10%

Brand recognition is vital for FinTech companies solidifying their place in the market. Using well-branded content across digital and direct mail channels has been shown to increase a customer's recollection of a business: Brand memorability in one study was 5.5 times higher after an omni-channel campaign than that of a digital-only campaign.<sup>12</sup> When a person recognizes a brand in a competitive market, they are more likely to give that company their business.

## 6

**Recipients of omni-channel campaigns paid 39% more attention to the messaging than to that of single-channel campaigns.<sup>12</sup>**



**39%**

Messaging helps differentiate your FinTech business from competitors. When you use a mix of digital media and direct mail to communicate a consistent message, people will pay more attention than they would if you were using just one channel or the other.

## 7

**Research has shown that integrating digital and direct mail in campaigns resulted in 5% higher emotional intensity than single-channel digital campaigns.<sup>13</sup>**



**5%**

Ninety-five percent of purchasing decisions are made subconsciously, based on emotional connections and brand recall.<sup>14</sup> It's possible that positive emotions could correlate to an increase in a prospect's likelihood of investing, borrowing or banking with you instead of your competitors.

### **Key Takeaway**

Combine your rich digital data with effective direct mail communications to create a comprehensive marketing campaign that works. You can convert prospects visiting your site into customers at a higher rate and build a strong, loyal customer base that will help your FinTech business stay ahead of the competition.

## USPS Can Help

Looking to learn more about programmatic mail? USPS representatives can help you find the best solution for your business needs.

### Connect with Us (</programmatic-direct-mail-registration/?C888>)

- <sup>1</sup> Todd Wasserman, "Direct Mail Meets Digital, to the Delight of Brands," CMO.com (<http://www.cmo.com/features/articles/2016/10/26/direct-mail-meets-digital-to-the-delight-of-brands.html#gs.TQLeOdM>), Jan. 6, 2017.
- <sup>2</sup> Rachel Wedlund, "Beyond Marketing Automation: Direct Mail Tactics Digital Marketers Should Try" (<https://www.inkit.io/2018/01/direct-mail-automation-strategies/>), Inkit.io (<http://www.inkit.io/>), Jan. 2, 2018.
- <sup>3</sup> Alan Sherman, "How Digitally Automated Direct Mail Makes the Best of Digital and Physical Marketing," IWCO Direct (<https://www.iwco.com/blog/2018/03/02/digitally-automated-direct-mail/>), Mar. 2, 2018.
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- <sup>7</sup> Dennis Kelly, "5 Reasons Why Customers Trust Direct Mail" (<http://www.boingnet.com/2017/02/06/consumers-trust-direct-mail/>), Boingnet.com, Feb. 6, 2017.
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- <sup>11</sup> Varda Tirosh, "The Numbers Are In: Multi-channel Campaigns Are 37% More Effective" (<https://www.optimove.com/blog/multi-channel-campaigns-are-37-more-effective/>), Optimove, Jan. 12, 2017.
- <sup>12</sup> "NPF Keynote Presentation," Brainsights, May 2018.

<sup>13</sup> “Canada Post/Ipsos Connecting for Action  
(<https://www.canadapost.ca/web/en/pages/dm/whitepaper.page>),” Canada Post, Sep. 2016.

<sup>14</sup> Logan Chierotti, “Harvard Professor Says 95 Percent of Purchasing Decisions Are Subconscious,”  
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