



## The Official NaviStone® Blog

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### Direct Mail Isn't Dead: Where It Stands Today

We've all heard it many, many times – direct mail is dead. But is that really true? Yes, digital marketing has taken hold, and it isn't going anywhere. How-

ever, that does not make direct mail any less valuable. In fact, the current advertising climate might make direct mail more valuable than ever, because marketers are coming to realize that every marketing effort works to support the others, and each accomplishes something unique that the others cannot.

In spite of what the skeptics have said, there's a definite future for catalogs and other direct mail. Every year, 80 billion pieces of direct mail are delivered through the Postal Service. But in order to get the maximum value out of your mailing plan, it's important to understand where direct mail circulation stands today and why direct mail is an integral piece of so many marketing plans.

[Download our eBook "The Future of Direct Mail Circulation: How to Tap Into Buyer Intent to Improve Your Planning Effectiveness."](#)

## The State of Direct Mail

Direct mail hasn't just been limping along, merely surviving the digital revolution. The truth is direct mail is thriving. As more companies embrace online forms of communication, the average home receives fewer communications via traditional mail, which means your direct mail pieces have a better chance of standing out among the reduced clutter if you provide the customer with value, addressing their needs, desires and pain points.

Between 70 and 80 percent of mail recipients review all of their mail – even mail they don't necessarily care about. Nearly 80 percent of direct mail recipients will take action on the mail they receive immediately. On the other hand, only 45 percent of email recipients do the same. The average direct mail campaign sent to existing customers yields a 3.4 percent response rate. Meanwhile, similar email campaigns have a response rate of just one-eighth of one percent.

The numbers don't lie. Direct mail is alive and well and can be used effectively to reach new prospects and existing customers. Direct mail is both intrusive and tactile, two very powerful attributes for an advertising medium.

## How Direct Mail Has Influenced Marketing

What's even more impressive than direct mail's continued effectiveness is its influence on newer forms of marketing. The core principles of direct mail and direct mail circulation can be found in many aspects of digital marketing, further cementing direct mail's status as a driving force in modern-day businesses.

[Inbound marketing](#) is centered around building a list of interested parties and tailoring the marketing message around the activity of those individuals.

That's a concept that comes directly from direct mail. Inbound marketing has also borrowed the personalization that's commonplace in direct mail, creating a digital complement to the tried-and-true methods that have worked for decades.

[Content marketing](#) is another discipline that has its roots in direct mail. Sending supplementary content with industry information has been a staple of direct mail for some time. We're just now beginning to see the digital equivalent of this approach in how companies are tailoring all their content – from articles to tweets to website copy to emails – to meet the audience's needs by providing value through knowledge, services, offers and more. As consumers continue to make their voices heard and demand a meaningful experience across all channels, companies will be able to use the insights direct mail has gathered on audience segments to actively focus on the consumer and improve every interaction, whether online or offline.

Another area where direct mail has influenced digital marketing is through the circulation of catalogs. Recognizing that catalogs are more fun and easier to browse than an endless list of merchandise-laden webpages, companies have begun distributing their catalogs via their websites, but it's important not to underestimate the value of a well-distributed physical catalog.

## Direct Mail Catalogs

There's [something special](#) about getting a catalog in the mail. A person can feel the glossy pages, hear the rustle of pages. They can't delete it like an

email with barely a glance at the subject line. And unless they throw it away immediately, the catalog will make it into their home, where they will flip through or read it. People tend to hang-on to their direct mail. Remember, 70 to 80 percent of people review all their mail regardless of what it is, and the odds are good that they'll find something interesting in your catalog that prompts them to order, search for more information online or call.

According to Entrepreneur, [56 percent of people](#) who receive the Costco monthly catalog made a purchase as a direct result of an item featured in the catalog – even considering Costco members pay for a club membership and are eager to make their investment worthwhile, that is an impressive number. Combine that figure with the 8.6 million catalogs issued each month, and you can see how direct mail catalog circulation matters in today's environment. Costco isn't alone. Williams-Sonoma spends half of its marketing budget on direct mail catalogs. Across seven different brands, Williams-Sonoma netted a \$141 million profit in the first three months of 2016, and Neiman Marcus makes \$4 in sales for every dollar it spends on its catalog.

But, Williams-Sonoma and Neiman Marcus are large companies. And people who receive the Costco catalog have a vested interest in what Costco has to say. But what about smaller businesses? Is a physical catalog worth the investment? Consider the case of Bonobos, an online retailer with no physical stores and a modern approach to advertising and marketing. You might think they would avoid direct mail catalogs altogether, but Bonobos ran a small catalog test to see if a direct mail catalog would work for them. The experiment worked better than they ever expected, and now more than 20 percent of first-time visitors to the Bonobos website place orders because of the catalogs they received. Furthermore, those visitors who were driven by the catalog spend 150% more than new customers who didn't receive a catalog.

## The Bigger Picture

There's a lesson to be learned from the success of Bonobos. It's not all about direct mail being the shining star of your company. It's not even about catalog recipients spending more than people who don't receive your catalogs. The important thing is that people buy something, somehow, from *your* company.

Every action taken in marketing works to support the others to create a meaningful customer experience, at every touchpoint, from beginning to end. And knowing what the customer expects at any given point in their path-to-purchase will help you determine how and where you should direct your advertising focus – if by paid search, social media marketing, email or with a catalog. This consumer-focused approach is redefining how companies approach marketing, which allows every marketing effort to showcase and build on its particular strengths.

As part of an effective overall marketing campaign, direct mail remains highly relevant, and it will continue to be for the foreseeable future. Even in a largely digital world, there's a purpose for direct mail and physical catalogs that cannot be replaced or removed without losing a valuable and effective means of reaching prospects and existing customers.

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