



GRAYHAIR



Leveraging Postal Data to Increase Marketing Effectiveness

A GrayHair Business-Ready Intelligence White Paper



MARKETING
EFFECTIVENESS

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*Our top 10 Marketing Mailers,
including many of the largest US
banks and insurance companies,*

REPORTED AN INCREASE OF

56%

**IN DIRECT MAIL VOLUME
FROM 2020 TO 2021.**

*This is a 22% jump from the
pre-pandemic volume
sent in 2019, an upward trend
expected to continue.*

SOURCE: GRAYHARR

Direct Mail is Booming

Businesses looking to build stronger relationships with an audience, which has become increasingly home-based, are turning to direct mail. In fact, direct mail is flourishing according to the Association of National Advertisers 2021 Response Rate Report¹. According to the report, across direct marketing channels, direct mail takes the top spot for the highest ROI at 112% for letter-size envelopes. While email prospect marketing ROI continues to decline, slipping to the third spot.

Direct mail has proven to be an effective marketing tactic when combined with other channels. In one survey of 75 selected marketing decision-makers, 63% said coordinating direct mail and digital campaigns increases response rates.²

Omnichannel Communication and Direct Mail

In 2022, omnichannel communication will be a major priority among enterprise marketing teams. Omnichannel communication is centered around a multichannel approach to customer communications with a purpose of building stronger relationships with customers and boosting customer loyalty.

Direct mail is almost always more effective than digital-only channels like email or social media ads. But when combined, the cross-channel boost can generate an increased return and further develop your brand.

Direct Mail a Trustworthy Marketing Channel

The direct mail channel is trusted by seasoned B2C marketers throughout industry for its ability to generate leads, increase ecommerce activity, and boost conversion rates. When done right, direct mail can be an extremely effective channel to meet your customer retention and/or acquisition goals. Compared to digital and display ads, direct mail offers the ability to break through the clutter and make it in front of your ideal customers in a time and place where they are most likely to take action, at home.

However, executing direct mail campaigns can be cumbersome if you are not equipped with the right tools, have to manage multiple partners or vendors, or have access to the right data.

Greater Deliverability Drives Higher Response Rates

Response rate is a key metric of campaign effectiveness. The response rate reflects the percentage of people who respond to a mailing. Typically, to determine the response rate of a mailing, the number of responses the mailing generates, are divided by the quantity mailed. For example: 100 responses divided by 5,000 pieces mailed = 2% response rate. Herein lies a significant problem, the response rate is inaccurate because undelivered mail is simply not factored into the equation.

¹ Publication: ANA Response Rate Report 2021, Published: January 10, 2022

² Source: "Direct Mail Conversion Research," USPS, Feb. 2019.

Marketers spend months developing a direct mail campaign, placing great focus on messaging, design, and call to action. Then, efforts are made to ensure the right audience is targeted, all to launch a campaign that delivers the strongest response.

But what if a consumer does not have the chance to respond because they never received that mailpiece? It happens a lot, a significant amount of USPS® Marketing Mail is deemed undeliverable in every campaign.

Direct mail is never returned to the sender. Once the final campaign piece is mailed, bad addresses are written off or not acknowledged at all. When mail does not reach its intended address, any communication timed to follow in a multichannel campaign is compromised.

Over 20% of marketing-class mail is undeliverable as addressed.

SOURCE: USPS

By not identifying which addresses failed, the practice is destined to be repeated. Companies rely on marketing agencies and list companies to provide extensive address lists they presume are cleaned and updated. While steps are taken to do so, gaps remain. Until those gaps are addressed, even the best marketing campaigns are underperforming.

Postal data has significant value that is commonly overlooked.

Mail delivery can make or break a campaign's success, but rarely does this data find its way to leadership. It is only when response rates are low that a look back is done, to see where things went wrong in the execution. Gaps in address data quality and a lack of visibility into mail tracking all contribute to underperforming marketing campaigns. With the right analysis and insight, postal data can reveal previously untapped business intelligence.

Increase Marketing Campaign Effectiveness

GrayHair's Business-Ready Intelligence Solutions help companies leverage **Address** and **Event Data** from a mailpiece's journey to increase campaign effectiveness. We seamlessly integrate that data with marketing processes and systems already in place. We have the technical expertise to manage and interpret the data that is provided by the USPS.

Marketing Campaign Effectiveness

WHAT WE KNOW

Marketing mail volume is above pre-pandemic levels with new credit card solicitations being among the highest.

WHAT WE DO

Enhancing customer data leads to higher response rates and improved marketing campaign effectiveness.

Greater Campaign Response

Ensure campaigns reach the right targets with cleaner address data, and reduce undeliverable mail.

Improve Multi-Channel Impact

Robust attribution modeling can better target prospects and trigger an optimum campaign response.

Monitor Campaign Performance

Easy-to-access dashboards and reports provide visibility into delivery status and performance.

Greater Deliverability

Cleaner Data Expands Campaign Reach & Drives Greater Response

A clean database of physical addresses is critical to the effectiveness of a direct mail campaign. Among the many factors that contribute to undeliverable mail, address changes can have the most significant impact because they are challenging to track.

GrayHair has built the largest address change database

aside from the USPS. This database contains more than 500 million records gathered from our existing clients as their mailings are processed through the USPS Address Change Service (ACS™). These clients include many of the country's largest banks and insurance companies for whom correct addresses are a top priority. This unique data is refreshed multiple times a day, 365 days a year.

Our address data quality service proactively monitors for addresses that cannot be delivered and updates any identified with a new address. Each of these actions is key to reducing campaign costs, increasing ROI by suppressing unreachable customers, and enhancing deliverability by providing a correct address. This means the right person gets the right offer at the right address and at the right time.

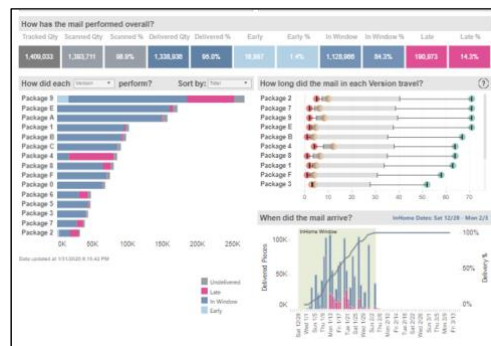
Enterprise mailers have used our proprietary database to find upwards of \$2 million that can be reinvested in future campaigns.

Monitoring InHome Delivery

Delivery Data Better Attributes Customer Response to the Right Channel

Marketers are getting more targeted and strategic in their processes for campaigns to be delivered in a timely manner and as discussed, are often synced with digital campaigns to increase response. Without monitoring delivery of those campaigns, optimal results may not be achieved.

We provide easy-to-access dashboards and reports of delivery event data that marketers can leverage to coordinate future multichannel campaigns. Attributes collected from customer activity can be used to achieve a greater response from target audiences.



Just as email and digital campaigns have a set of analytics marketers rely on to monitor performance and real-time activity, the same can be done with mail campaigns by closely monitoring delivery at each stage of the process.



The Advanced Addressable Direct Mail market is expected to grow by nearly 50% this year.

Source: MAGNA

Multichannel and Omnichannel Impact

GrayHair's Business-Ready Intelligence Solutions provide our clients with the ability to test delivery options, raise response rates, detect potential problems, and precisely trigger follow-up efforts. The latter, being ever so important in multichannel and omnichannel marketing campaigns.

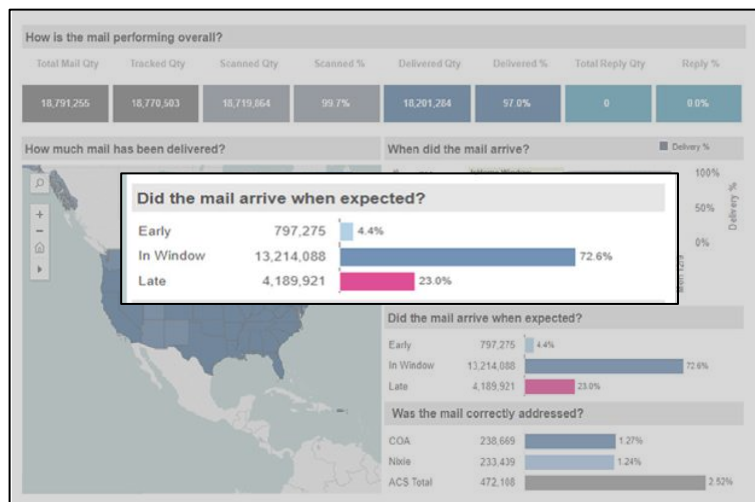
Multichannel and omnichannel ecommerce both involve using multiple channels to engage consumers along the customer journey. Multichannel being more channel-focused, while omnichannel is more customer-centric. Research has shown that consumers who seamlessly engage with a brand across multiple channels often turn into repeat customers. Having the ability to more precisely trigger follow-up events and create more connected touchpoints with consumers, not only improves the customer experience but helps to build brand loyalty.

Analytics Dashboards and Reporting

Our analytics dashboards allow our clients to get fast and powerful insights into their data.

Did the mail arrive on time?

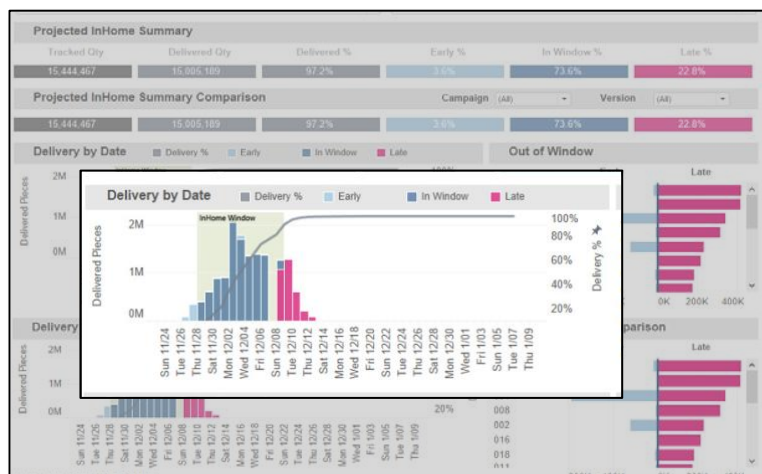
Critical for coordination of multichannel and omnichannel campaigns and attribution modeling. Our analytics



dashboards allow our clients to get fast and powerful insights into their data. The **Mail Performance Dashboard** allows our clients to view overall delivery performance.

Projected Delivery

Know when a mailpiece is going to be delivered in order to “trigger” the next event. The **InHome Delivery**



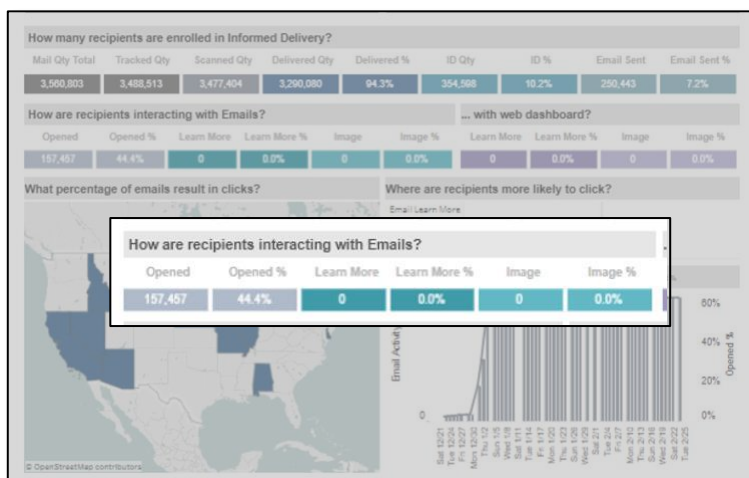
Dashboard is key for viewing delivery information by date, deliveries out of window, early or late.

What is Informed Delivery?

The USPS allows mailers to customize an image and provide a click-through link in their Informed Delivery program. The program sends an email to consumers each morning with black and white images of mailpieces that will be delivered to them that day. In the background, the USPS is capturing data around email opens and click-through events from all of the users. Subsequently, the USPS will make the email campaign analytics available to mailers for their own data analysis and reporting purposes. GrayHair's team of postal experts are here to support you in your efforts to leverage Informed Delivery and assist you in your participation.

Leveraging Informed Delivery

Access postal insights in minutes. Manage USPS Informed Delivery data smarter with GrayHair Reports, dashboards, and lookup tools that give meaningful insight into your Informed Delivery data, integrated into one single solution.



Informed Delivery Dashboard

Actual Business Benefits Realized by Our Clients

We are proud of the many long-standing business relationships we have developed with our customers. Our clients benefit from our extensive industry knowledge, as well as an unwavering commitment to data security and compliance. We have a personalized customer engagement approach, centered on our client's objectives and achieving results. In this section we will review a client use case that illustrates how our client attained cost savings benefits with GrayHair's Business-Ready Intelligence solution.

Client Use Case

One of our clients, a National Insurance Agency, (the "Agency"), started using mail tracking services to monitor delivery times for their marketing mail. This involved approximately 500 million pieces a year. Our data revealed an average undeliverable mail rate of 10%, or 50 million pieces. This was not only costly in terms of wasted postage and materials, but also from the perspective of lost sales opportunities and potential revenue.

Marketers often use agencies and list companies to secure prospect names and addresses of the most responsive audiences. This was the case with the Agency, and though these agencies and list providers typically cleanse the data from an address hygiene perspective, we know there is considerable room to enhance address data quality.

Solving this problem began with ACS data capture through the existing mail tracking process. This allowed us to provide greater detail about why their mail was undeliverable. In turn, they could work with their list providers to clean the database to eliminate bad addresses.

We added Just-in-Time Address Quality to the process. In addition to the data we captured from ACS, prior to mailing, we ran address files through our address hygiene tools, CASS™ and NCOALink®, and our proprietary database of Address Change data, UAD (Universal Address Database). This allowed the Agency to suppress mailpieces they knew would not be delivered, generating additional savings on the cost of postage and production. That practice also provided a new address where possible.

After just three months of implementing the Just-in-Time solution, NIA realized a significant ROI of \$500,000 in cost savings with the option to reinvest that savings in new prospect names, to help increase overall campaign response rates.



Transforming Data into Actionable Insights

About GrayHair Software

Since 2000, GrayHair has become the leading consumer and provider of postal data, processing over 55 billion data points annually. We work with many of the largest companies in the US, turning data into Business-Ready Intelligence that enables decision-makers to prevent fraud by reducing mail theft, enhancing client experience, improving marketing effectiveness, and optimizing mail operations. Our clients benefit from our extensive industry knowledge, as well as an unwavering commitment to data security and compliance. For more information on how you can improve your customers' experience, visit our website.

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