

The Resurgence of Mail

As the economy makes a comeback, marketers rediscover the value of mail.

While effects of the recession may still linger, advertising spending seems to be back on track. Ad spending rose 3.3 percent during the second quarter of 2010 and should finish the year up 2.8 percent, according to MAGNAGLOBAL, a media tracking service.

No doubt, much of that spending has been allocated for digital communication channels, but as consumers' inboxes become increasingly crowded, many marketers are rediscovering the value of mail.

That makes sense when you consider that direct mail has long been an effective and efficient way to market products and services. And with an ROI of \$12.53 for every dollar invested, according to research by the Direct Marketing Association, it can add significantly to the bottom line of an organization.

But the value of mail goes beyond straight ROI. Mail can do things for a marketer that no other medium can.

For example, mail can deliver a sample of your product to prospects, ensuring they get a true marketing experience, not just a message. It can reward a loyal customer with a gift that provides instant gratification and helps intensify his or her loyalty.

And customers like getting mail: 79 percent of all households read or scan direct mail they receive, according to our research. Even younger adults — whom we tend to think of as living entirely in the digital space — say they would prefer to receive offers through the mail, rather than in an e-mail or text message.

Mail creates an emotional connection with customers that digital cannot. They hold it, view it and engage with it in a manner entirely different from their online experiences.

All of this is evidence that even in an increasingly digital world, mail continues to have a bright



future — not just in the United States, but around the world.

Recently, we held a series of meetings with our customers and clients to talk about their use of mail. Their insights are helping guide us as we design the future for the U.S. Postal Service.

Already, we are simplifying our processes and taking steps to make it easier for customers to use our services. More than that, though, we are taking steps to make mail more accessible. As a global organization, we understand that our customers are everywhere, and to serve them well we need to be where they are.

For more than 230 years mail has faced numerous challenges and held fast. Mail has survived because it delivers an experience that other communications simply cannot match. That's as relevant in today's world as it has ever been.

Paul Vogel is President, Mailing and Shipping Services at the U.S. Postal Service.

Reproduced from *Deliver*®, December 2010 issue.

To read these and other postings,
follow us on Facebook and Twitter.



New Location, New Name...

Random Acts of Kindness

When it comes to the mega trend of GENERATION G (that's G for Generosity, not Greed), there's no better way for a brand in 2011 to put its money where its mouth (or heart) is than engaging in Random Acts of Kindness (R.A.K.). Consumers' cravings for realness, for the human touch, ensure that everything from brands randomly picking up the tab to sending a surprise gift will be one of the most effective ways to connect with (potential) customers in 2011 — especially beleaguered consumers in North America, Europe and Japan.

For brands, a serious (and sincere) R.A.K. strategy may mean no longer being seen as inflexible and unwieldy, but as more compassionate and charismatic instead. Something which is, of course, priceless and actually fun.

Fueling the R.A.K. trend is brands' ability to actually know what's happening in consumers' lives (good or bad!), as people publicly and knowingly disclose (from Facebook to Twitter) more and more about their daily lives, their moods or their whereabouts. Social networks also enable acts of kindness to spread far beyond its recipients, as they will gladly tell their friends and followers about the unexpected good news. Two fun examples to copy or improve on in 2011:

Flower delivery service Interflora has launched a social media campaign in the UK designed to brighten up the lives of Twitter users by sending them flowers. As part of the campaign, Interflora monitors Twitter looking for users that it believes might need cheering up. Once

found, the users are contacted by tweet, and sent a bouquet of flowers as a surprise.

Dutch airline KLM's 'How Happiness Spreads' Foursquare-based campaign employed a 'Surprise Team' to give passengers tailored, unexpected gifts at the airport. Throughout November 2010, as soon as someone checked-in at a KLM Foursquare location within its network of airports, the Surprise Team went online to find more background information about the person, decided upon a suitable gift and gave it to them before they flew. For instance, one traveler tweeted he would miss a PSV Eindhoven football game while he was in New York. The Surprise Team, accordingly, gave him a Lonely Planet guide book of NYC with all the football bars highlighted in blue.

Reproduced from *Trendwatching.com*

Pricing Pandemonium

While consumers have always looked out for special offers and discounts, new technologies and services mean that 2011 will see total price pandemonium.

More consumers are constantly connected, and when they hear about new deals online can quickly and easily spread them through their social networks.

Increasingly, consumers will be part of exclusive networks or groups to either receive special deals or demand them.

Mobile devices increasingly enable consumers to find or receive dynamic deals right at the point of sale, or to compare prices online. Case in point: Amazon.com just released an iPhone app that allows users to compare prices by scanning the product's barcode, photographing it or saying its name.

Always-on connectivity is changing consumer spending habits in myriad ways. For example, coupon clipping required planning and dedication, hence wasn't that popular with consumers more interested in the here and

now, but now is a near-effortless online activity. Furthermore, whipping out one's smartphone at the counter, getting the latest deal via GPS, or barcode scanning is well, smart. And therefore a source of status rather than shame. Brands will continue to respond with a host of innovative new business models and pricing strategies in the next 12 months, building on:

Group buying. The two billion consumers now online can exercise their collective buying power, helped by the host of services and social networks that make it easier than ever to organize and act. Keep an eye on 2010's big success story, Groupon, or their competitor Living Social.

Member sales. The old 'club' format (think of Costco) has been given a new lease on life online, where niche communities thrive. Making some memberships limited or invitation-only, only increases the perceived exclusivity. Designer fashion brands were some of the first to offer heavily discounted ranges to select groups, but member sales

are now expanding to areas such as travel and home furnishings.

Flash sales. Both groups and member communities frequently use time-limited offers that encourage impulse buys. By limiting the time available, and frequently only making sales available to members, brands are able to shift excess inventory quickly.

Local discounts. With more and more consumers being able to broadcast their location, either publicly via Facebook, Twitter or other dedicated location-based services, brands can offer deals directly to consumers virtually at the point of sale. These can be rewards for performing certain actions, geo-located promotions, or just geo-enabled apps.

Dynamic pricing. Traditionally practiced by the airline industry, improvements in real-time information are now allowing other sectors to experiment with innovative dynamic pricing models, such as the US-based Off and Away, which auctions hotel rooms.

Reproduced from *Trendwatching.com*