



2019 CATALOG & INTEGRATED MARKETING SUMMIT

INTEGRATED: THE SMARTER
PATH TO PROFITABILITY

PHILADELPHIA, PA | APRIL 24-25 2019

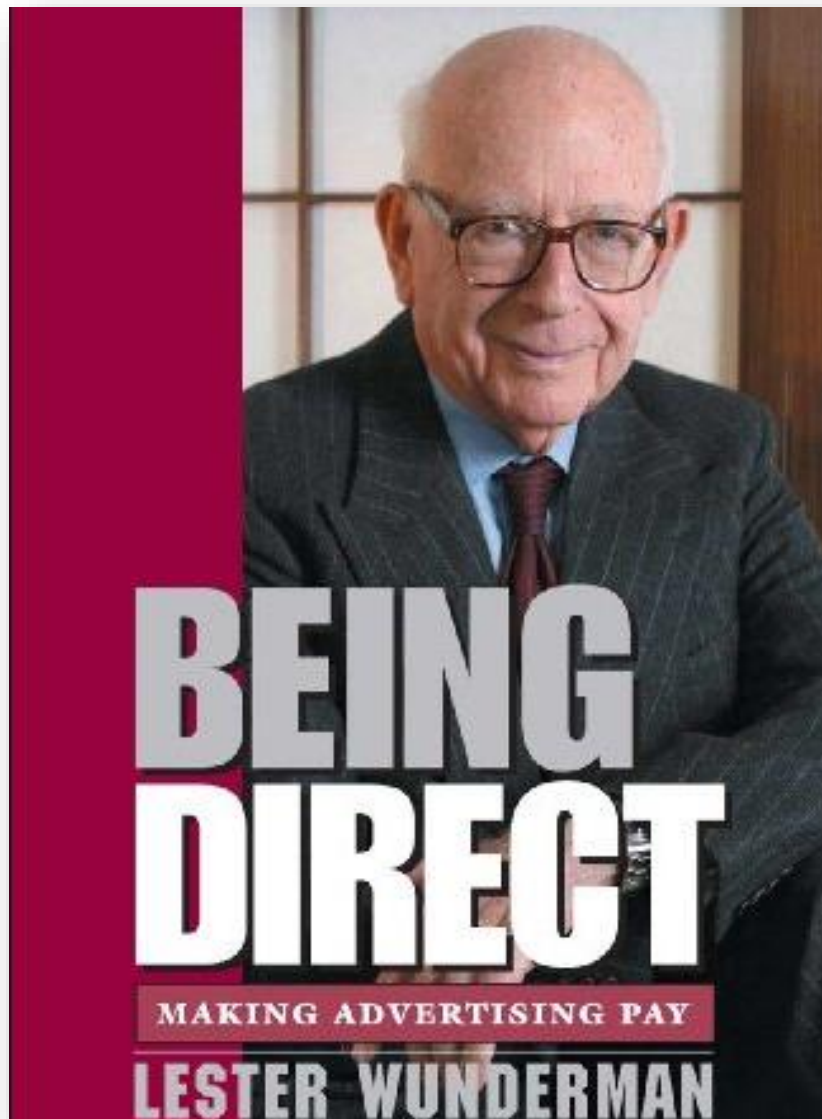
LEVERAGING ONLINE BEHAVIOR TO DRIVE NEW REVENUE

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April 24-25, 2019

cohereOne



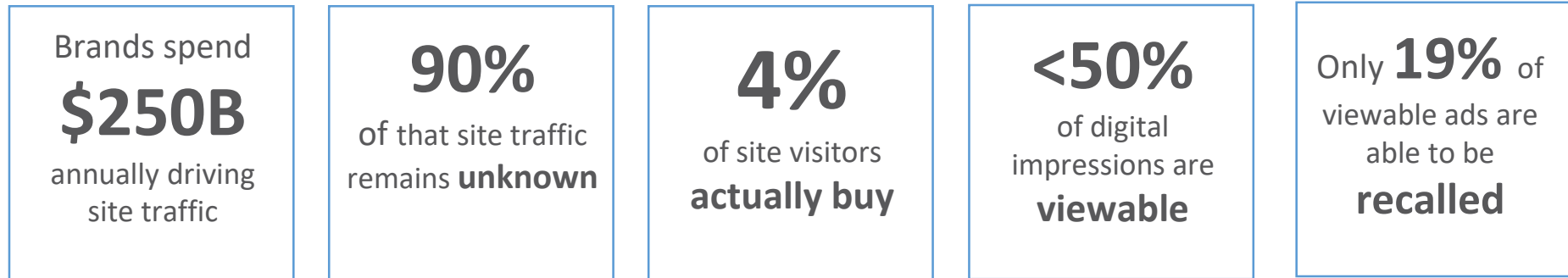
Lester Wunderman, the father of direct marketing who passed away in January at age 98, is smiling from his final resting place

"A computer can know and remember as much marketing detail about 200 million consumers as did the owner of a crossroads general store about his handful of customers. It can know and select such personal details as who prefers strong coffee, imported beans, new fashions and bright colors"



- Previously unknown site visitors could be identified?
- Browsing activity was known?
- Browsers with greatest propensity to respond to the “call to action” were identified?
- These browsers were mailed personalized **direct mail**, and were in their mailbox within ~3-days of the browsing event?

Turn you website visitors into direct mail responders aka Web Powered Direct Mail



- New technology allows clients to connect their browsers to postal name and address and enable retargeting via individualized direct mail.
- Brands can leverage digital “propensity to buy” scores with postal matching and deliver personalized content to qualified prospects through highly responsive direct mail.
- Brand safety, deliverability, viewability and click bots are not considerations in direct mail.



“Giving, receiving and handling tangible objects remain deep and intuitive parts of the human experience.”

The Private Life of Mail

Advertisers spend
\$45B
annually on direct
mail

Direct mail
response rate
3.7%

70%
Higher recall than
digital

Social & Email
response rate
1%

Paid Search
response rate
.6%

Mobile response
rate
2%



The best of both worlds

- Speed
- Timeliness
- Relevance
- Accuracy
- Responsiveness
- Measurable

Direct Mail and Digital combined yield ~28% higher conversion rate

Consumer privacy is at the forefront



PII and browsing data are never combined, sold or contributed to protect consumer privacy



The key lies with data interpretation

- # of site visits
- Length of visit
- # of page views
- Cart Y/N
- Referring URL
- Categories viewed



Match rate and accuracy are equally important

- Peak browsing activity occurs during the week between 1:00 & 2:00 PM
- Consumers are at work
- Cookies more accurate methodology
- Even at home! IP Addresses cycle
- Segmentation based on propensity scores

File Transfer

- Prospect Retargeting
- Reactivation Retargeting
- Cross Brand Audiences
- Email unsubscribers

Audience



Daily, weekly or event based audiences of prospects or lapsed customers for use in direct mail or other advertiser-run marketing

Turnkey Postcard Program

- 4 ¼ x 6
- 4C/2S
- 1st Class Postage

Media



Turnkey delivery of marketing messages to prospect or lapsed customer segments

Amplify

- for Direct Mail
- for Email
- for Social
- for Digital Media

Data Enhancement



Append browsing data of unknown visitors to enhance modeling and segmentation of known customers

~70% match rates to known postal names and addresses
Audiences delivered the next business day

Event Program (catalog, scheduled mailing, etc)

- 90-95% Net Names out of the Merge
- Matching to HF allows for both prospect & HF data to be put in the same merge
- Tag on site will keep suppressions up-to-date
- Circulation can be increased/decreased based on site traffic and performance.
- You determine the audience!

1.18%
Response Rate

348
\$/BK index

~90%
Unique Names



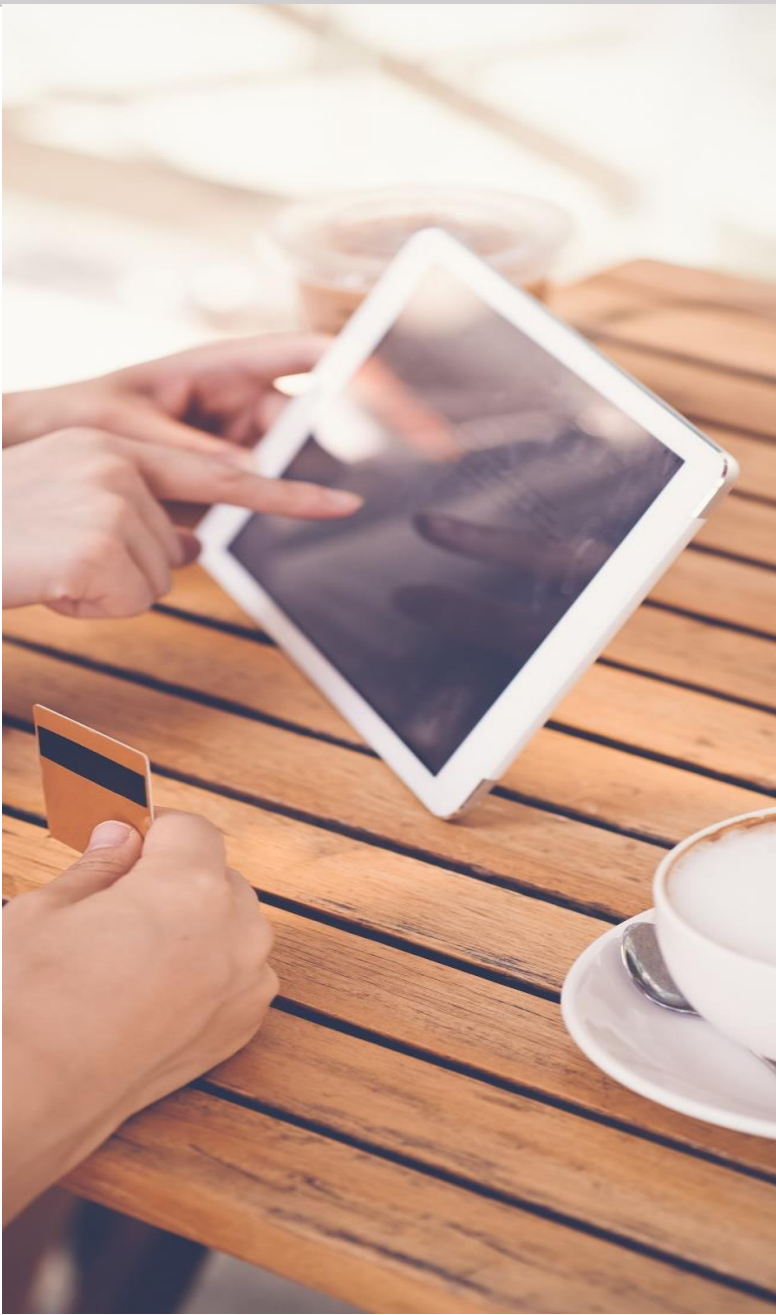
Problem: This [Women's Apparel Retailer](#) needed to identify profitable prospects to target via their catalog and identify current customers that are likely to make a repeat purchase in the near future.

Solution: [NaviStone® Prospecting](#) and [NaviStone® Reactivation](#) were used to identify these audiences.

Both Prospecting and Reactivation Audiences outperformed other sources. The top segment of the [reactivation model](#) provided > [\\$8/book](#) and consistently performed at this rate for each mailing.

For prospecting:

Source	Response Rate Index	\$/Book Index
Co-op 1	96	102
Co-op 2	98	86
Co-op 3	102	97
NaviStone	112	102



Problem: Like many online businesses, this [lingerie retailer](#) was struggling to convert unknown site browsers.

Solution: [NaviStone® Daily Hotline](#)

NaviStone identified and sent audiences with no prior purchase history to the brand's mail house.

By setting up daily EFT, we maximized recency by delivery of a direct mail piece within 24 hours of the browsing event.

9x ROAS

Retargeting Postcards

- Personalized messaging and offer; customize up to 10 elements
- 48-hour delivery; first class postage
- Modify budget based on site traffic and performance.
- Two standard sizes to choose from; additional options available
- You determine the audience
- We manage everything!

6.71%
Response Rate

\$10.69
Revenue /
Piece

3-10x
ROAS



Problem: A large brick & mortar retailer wanted to capitalize on the browsers they were driving to the website but not engaging.

Solution: NaviStone® Postcard Program was used to identify high-performing names based on browsing data of site visitors.

Postcards were sent 1st class mail to daily site visitors. Names were tested against a hold-out panel to determine incrementality.

11.1%
Response Rate

8x
Incremental ROAS



Problem: This top pet retailer wanted to create a very targeted campaign focused on sign up for services available vs. the purchase of products available.

Solution: NaviStone® Postcard Program was used to identify those site visitors that visited a very specific part of the website, and brought the postcard into the retail store when using one of these services.

Postcards were sent 1st class mail to daily site visitors. Names were tested against a hold-out panel to determine incrementality.

11.42%
Response Rate

343%
Lift over hold

Data Enhancement

- Append daily browsing activity at the category level to specific segments or to the entire customer file
 - ❑ ~70% of the daily unique site traffic will match to name and address
 - ❑ Of the addressable traffic (matches), ~50% will match your CRM file
 - ❑ Granular browsing data is captured and aggregated into data sets to ensure privacy compliance
- Sample variables include:
 - ❑ Clickstream behavior: page loads, visits, recency, length of visit
 - ❑ NaviStone® model score
 - ❑ Sub-category level data rolled up to the major category level

210%
HF
productivity

5%
Increase in
AOV



Problem: An online financial lending institution needed to drive additional loan & refinancing applications. Visitors are leaving site without providing a means to follow up.

Solution: Lead generation

Payoff:

- ✓ 10.9% response rate
- ✓ 45% of returning visitors took 5+ actions
- ✓ Of those that responded:
 - 30% provided an email address
 - 20% provided a phone number
 - 26% entered a loan amount

TEST. TEST. TEST



- Triggered postcard program to supplement sales in between catalog seasons
- Program saw positive results among all audience groups

11/19/18-2/8/19 Incremental Results										
Total	Qty	Orders	Sales	Ad Cost	Contribution	RR%	AOV	\$/B	ROAS	Cont/B
Mail	15,915	414	\$48,507	\$13,050	\$18,479	2.60%	\$117	\$3.05	\$4	\$1.16
Hold	15,915	209	\$22,123	\$0	\$14,380	1.31%	\$106	\$1.39		\$0.90
% Lift						98%	11%	119%		29%

Testing by Segments - Incrementality

21

Client tested triggered postcard program along side catalog program

- Program saw positive results among the customer groups,
- Negative results with prospects even with 62% response lift

12/3/18 - 1/20/19 Incremental Results

Active Buyer	Qty	Orders	Sales	Ad Cost	Contribution	RR%	AOV	\$/B	ROAS	Cont/B
Mail	10,173	7,359	\$869,333	\$8,342	\$556,724	72.34%	\$118	\$85.45	\$104	\$54.73
Hold	10,167	4,717	\$540,764	\$0	\$351,497	46.40%	\$115	\$53.19		\$34.57
% Lift						56%	3%	61%		58%

Lapsed Buyer	Qty	Orders	Sales	Ad Cost	Contribution	RR%	AOV	\$/B		Cont/B
Mail	10,039	930	\$107,190	\$8,232	\$58,226	9.26%	\$115	\$10.68	\$13	\$5.80
Hold	6,435	487	\$52,267	\$0	\$33,973	7.57%	\$107	\$8.12		\$5.28
% Lift						22%	7%	31%		10%

Prospects	Qty	Orders	Sales	Ad Cost	Contribution	RR%	AOV	\$/B		Cont/B
Mail	10,000	139	\$15,044	\$8,200	\$1,127	1.39%	\$108	\$1.50	\$2	\$0.11
Hold	10,000	86	\$8,788	\$0	\$5,712	0.86%	\$102	\$0.88		\$0.57
% Lift						62%	6%	71%		-80%

PPC vs Direct Mail

Conversions

The average conversion rate for Google PPC was recently benchmarked at **3.75%**



Retargeted postcards average a **5+%** conversion rate.

Reactive Vs. Proactive

PPC ads can only react to the key phrases a shopper enters.



Retargeted Postcards proactively reach out to consumers who have shown intent.

Competition

Your competitors are also targeting consumers who view PPC ads.



You are the only one who can send a personalized postcard to your website visitors.

Lifecycle Stage

You don't really know how engaged a consumer is who clicks on a PPC ad. Some are ready to buy, others are just beginning their research.

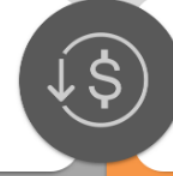


Retargeted postcards can be sent only to consumers who have demonstrated their stage through their engagement with your website.

PPC vs Direct Mail

Cost

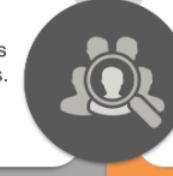
The average Google ad costs **\$2.69/click**. With PPC you are bidding against competitors so the cost rises every month.



Postcards can be sent for as low as **\$.66/postcard***. Cost and performance metrics remain stable because you are the only one who can retarget to your site visitors.

Audience Segmentation

It is difficult to segment PPC advertising by new customers or active or lapsed customers. As a result, audiences are typically combined.



Retargeted postcards are sent to a known postal address, so they can be targeted precisely, allowing for audience segment focus and unique messaging.

In-store Measurement

It's difficult and expensive to tie offline behavior to PPC ads.



Retargeted postcards are sent to known postal addresses, so they can be easily connected with offline transactions.

Geo-location

Digital geo-fencing is imprecise, and based on where a device is located at the moment.



Retargeted Postcards allow you to define your target area around home address so 100% of your recipients are in your designated geo-area.



Come by the NaviStone booth for a 15-minute discovery discussion and we will donate \$15 to the usPS Stamp Out Hunger Food drive!

Thank You!



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