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WHY MARKETING
IS GOING
MULTICHANNEL



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- *Multichannel marketing increases results*
- *Multichannel marketing provides repeated exposure and reinforcement of the message*
- *The more channels integrated into a campaign, the better the results*
- *Print remains a critical component of the multichannel mix*



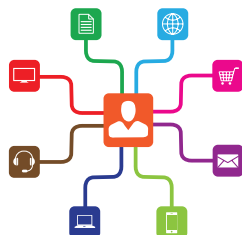
WHY MARKETING IS GOING MULTICHANNEL

We live in an era of gadgets. Research shows that 94% of people have their cellphone within arm's reach at all times, consumers are shopping on tablets while watching television, and more email is opened on a mobile device than on a desktop. Customers continue to move into a multichannel world, and responsive marketers need to go there, too.

Channel integration isn't something marketers can afford to ignore. In Target Marketing's "Media Usage Survey" (2015), more than 60% of marketers reported increasing email spending every year since 2010. Most (61%) plan to increase social media engagement investments in 2015, and 46% are increasing budget on social advertising. Social media advertising is now the fifth-most-used media, according to the survey.

Multichannel has become mission-critical. It is so critical, in fact, that it is fundamentally changing marketers' roles within their companies. Adobe's "Digital Roadblock" survey found, for example, that 64% of marketers expect their roles to change in the next 12 months. Of these, 73% said this is due to the expanding number of channels and platforms necessary to reach audiences. A similar percentage (71%) said it is due to the need to develop new ways of thinking about audience engagement.

MULTICHANNEL INCREASES RESULTS



The multichannel approach simply produces better results. Although there aren't a lot of studies tracking the interaction of marketing channels, one useful set of data comes from InfoTrends a few years ago. In a survey of more than 1,000 businesses, InfoTrends documented that the more channels used in a given campaign, the more effective the message.

COMPARISON OF CONVERSION AND RESPONSE RATES WITH MULTIPLE CHANNELS

Campaign	Response Rate	Conversion Rate
Print Only	6.0%	16.2%
Print and Email	7.6%	18.3%
Print and PURLs	7.6%	15.3%
Print, Email and PURLs	8.2%	16.5%
Print, Email, PURLs & Mobile	8.7%	19.0%

Source: InfoTrends, 2012

This is only one study, and it focuses on a very narrow combination of channels, but it is consistent with the results we see elsewhere. The more channels integrated into a campaign, the better the results.

ROLE OF DIFFERENT MEDIA IN THE SALES FUNNEL

Part of the reason multichannel marketing is so powerful is that it provides repeated exposure and reinforcement of the message. Another is that different media play different roles in moving customers along the sales funnel. For example, a 2014 study by Experian placed channels in one of three categories: "greeter" (creating brand awareness), "influencer" (generating interest), and "closer" (getting the sale). When each channel plays its role, the marketer gets better results.

According to the "2014 Digital Market Trends Report," the top channels for creating brand awareness ("Greeter") are as follows:

- Search marketing: 43%
- Online display ads: 42%
- Social display ads: 40%
- Social media (not paid): 38%
- Print advertising: 37%

Top channels for generating interest ("influencer") are as follows:

- Email marketing: 49%
- Social media (not paid): 44%
- Online display ads: 35%
- Print advertising: 33%
- Social display ads: 33%

PRINT REMAINS A CRITICAL COMPONENT ... AND WHY

Top channels for getting the sale (“closer”) are as follows:

- Website (ecommerce): 42%
- Email marketing: 30%
- Direct mail: 20%
- Mobile apps: 20%
- Search marketing: 17%

The study also found that half of global cross-channel marketers surveyed planned to integrate four or more channels in their campaigns in 2014.

The breadth of the number of channels being used for each of these stages in the sales process reinforces the critical nature of finding the right mix of channels and integrating them based on your customers’ preferences and needs.

For maximum effectiveness, the multichannel mix should include print. One commonly cited Brand Sciences study found that digital marketers received a 62% lift when print was included. That data is more than five years old, but we have no reason to think consumer psychology has radically changed.

Print has gravitas and credibility that other media don’t. It also has visual and tangible benefits that are powerful and unique to that channel. Studies consistently show that, for more sensitive and critical information (financial, medical, insurance), consumers continue to trust and prefer marketing information in print.

Here are some direct mail stats from the Direct Marketing News’ “Essential Marketing Guide: 2015” that every marketer should know.

- Marketers spent 2.7% more on direct mail in 2014 than 2013.
- Projected direct mail spending was \$45.7 billion in 2014, up from \$44.5 billion in 2013.
- 22% of consumers base buying decisions on information received from direct mail pieces.
- 58% of online shoppers browse print catalogs for ideas.
- Average direct mail response rates are up to 4.26% for a customer list (Direct Marketing Association).

Why does print remain so valuable? We live in a world of digital oversaturation. Even among Millennials, direct mail seems more personal. A 2013 study by ExactTarget found that even 51% of those in the 15-24 age bracket have purchased a product based on a direct mail promotion. According to Nielsen’s 2012 Global Trust in Advertising report, 92% of young shoppers say they prefer/trust printed materials over digital when making purchasing decisions.

MAXIMIZING YOUR ADVANTAGE

In addition to the psychological benefits of print, there are physiological benefits, as well. In an article for Storyboard Magazine, Kate Dunn, director of the InfoTrends Business Development Group, cited several studies that link the benefits of print to how our brains work:

- Constant distractions online interfere with a reader's ability to focus and comprehend the material.
- Tangible materials like direct mail generate more activity in the area of the brain associated with visual and spatial information.
- Physical materials are better connected with memory.
- Print seems "more real" to our minds.

All of this supports why marketers continue to invest in direct mail as part of an effective multichannel mix. They are also creating higher value, more complex campaigns than in the past. We are seeing greater use of targeting and personalization, high-end finishing, personalized mapping, and tighter, more effective integration with other channels.

How can you take maximum advantage of the multichannel mix? Let's look at some of the best practices from the field.

1. Don't let data paralysis keep you from integrating multiple channels.

Remember that "multi" begins with two. Start with a simple one-two punch with email and direct mail. Or direct mail to a mobile marketing video via QR Code. Add social media sharing buttons to blog posts and e-newsletters. These are simple first steps that anyone can do. Add in other components one at a time.

2. Know the strengths and weaknesses of each channel.

Marketing channels are not interchangeable. Each has strengths and weaknesses, so know the pros and cons of each channel and match them to the right stage in the campaign.

3. Know your customers' channel preferences.

For some campaigns, you may want to use multiple channels to reach the same customer at different times and in different ways. Other times, you want to communicate primarily or initially through their preferred channel(s).

For example, if you offer a customer newsletter, don't just assume everyone wants the print or email version and send every person the same thing. Ask which channel they prefer, then honor their request. Not only are you more likely to get more responses, but you will get improved customer loyalty.

4. Remember that social and mobile channels are driven by print.

If you want to grow your email and social media efforts, start with print. That's because print is one of the key drivers of awareness of email and social media exposure and sign-ups.

For example, when Stage Stores sought to leverage the back-to-school shopping season to engage with its target customers, it ran an ad campaign both in-store and online that prompted shoppers to text a code for a chance to win a new car or instant prizes such as gas cards, iPods, and Stage Store gift cards. While opting in, customers were able to indicate the channel (SMS, voice, or email) and the type of offers they preferred to receive. This paved the way for more relevant communications in the future.

5. Break down the silos.

Although multichannel campaigns don't have to be integrated, simple reasoning says that they are. This means that all of these components need to work together, whether through a marketing automation system or being driven by human decision-making.

This means breaking down data silos. Silos exist in marketing (demographics), purchasing, IT (web forms), and customer payments, customer service, among others. When we think multichannel, we need to start integrating non-order information such as social media usage, channel preference, web activity, and so on. While this can seem overwhelming, start small – one component at a time.

6. Match channels to their place in the sales funnel.

Marketing channels are not interchangeable. They are used at different times and for different purposes. Understand the role each channel plays in your sales funnel and then match them up appropriately.

Need help understanding the benefits of each channel and putting together an effective mix? Give us a call. That's why we're here!

Want a lift in your email ROI?

Coordinate the timing with your direct mail drops. GrayHair Software found that, when emails were precisely coordinated with the actual delivery of mail pieces, it received a 36% lift in response rates.

Who's using what?

- 14% of marketers are increasing their use of 2D barcodes like QR Codes.
- 5% of marketers are increasing their use of augmented reality (AR).
- 6% of marketers are increasing their use of near field communications (NFC).

Source: *Target Marketing* "2015 Media Usage Survey"

Viewers are 85% more likely to purchase a product after watching a product video. (Source: Internet Retailer)

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