

Direct Mail vs. Email Marketing with Video

{RPM}

Premise

Here are some amazing statistics from a client of ours that recently did both a direct mail post card and an online marketing video sent out via email to the exact same client base. They did both methods because they wanted to make sure all of their customers were touched and also because they didn't have all of their customers email addresses. Due to client confidentiality limitations, we cannot disclose our client's name.

Business Needs

The business is a service oriented operation with predominantly a business-to-consumer base. They also have a reputation as an environmentally responsible company and try to do what they can to diminish the amount of waste they create. This business was beta testing a new service which would streamline how their customer base would interact with their services. To clarify these changes, answer any questions their customers may have, etc. they needed to reach out to their entire regional customer base of about 16,000 customers. Their objective wasn't a direct call to action for their customers – but simply to notify and educate them of the new service and to make sure that their customers knew who to contact if they had any questions about the service.

Solution

Their internal marketing department had already planned to send out a postcard with a follow up brochure to their entire base of 16,000 customers. They did have over 6400 email addresses for a portion of their client base, so we suggested incorporating an email marketing e-newsletter linking to a short interactive video explaining the changes to the service and including helpful links for more information, download a PDF of the brochure or to contact someone at the company. The postcard was sent out first and the email newsletter with links to the video was sent out two weeks later.



Results

Postcards sent: 16,000

Direct replies & requests for further information: 12 or 0.075% (responses were entirely phone calls about the program)

Costs: includes design & printing of postcard, ink jet printing of addresses and postage = \$5,470*

*if you include the design & printing, ink jet printing of addresses and postage for the brochure as part of this campaign – the overall cost was \$12010



Emails Sent: 6406

Statistics:

Open Rate (OR) – 43.8% or 2804

Click-Through Rate (CTR) – 44.7% or 1254

Direct replies & requests for further information: 146 or 2.28% (responses were entirely email responses about the program).

The email responses varied – many were requesting further information, others were thanking the company for how clearly the email, PDF and video explained the upcoming changes to their services and a handful expressed gratitude for the company keeping their message environmentally friendly by using email with the video.

One respondent when asked about the post card remarked that they “didn’t remember ever seeing it” and assumed that they had “thrown it with the rest of the junk mail in the recycling bin”.



Costs: includes email service provider subscription*, web hosting provider & domain for landing page*, design for email newsletter & landing page to host video, PDF and FAQs about program and the online video production = \$4176

* Email Service Provider (ESP), domain registration and web hosting were all yearly billing costs included in the overall budget for this one campaign.

Final thoughts

From the perspective of action the clear winner was email marketing with video which garnered a response rate that was 11x higher than direct mail. While their varied customer demographic will never allow for a completely emailed list, the results from direct responses and the ability to track the emails effectiveness through the email service providers statistical tracking data are obvious. From a cost perspective on the single campaign its also clear that email marketing with video was obviously not only more effective but far less expensive. This is especially noticeable when you factor in that the email service provider, domain registration and web hosting costs (in the amount of \$901) were all for one full year, not just this single campaign.

This brings up another important issue, which is that this service was only launched to a fraction of their customer base as part of a beta test of the program. So if they choose to open the program to a wider selection of their customer base – with direct mail all of their production costs will repeat (with the exception of their initial post card design costs if there are no edits to the content) while with email and video they will absorb a fraction of those email service provider and web hosting yearly fees and they may need to tweak the email content but other than that the second blast of this information using email marketing and video is completely paid for and they have endless distribution.



The company's program director expressed his thoughts on how the campaign worked out by sharing, "E-mail made it so much easier for our customers to respond because they could simply click to reply to get more information. They also loved the fact that the video so clearly illustrated how the new service would work."