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ROI TO SENDER

DIRECT MAIL IN YOUR 2021 MEDIA MIX

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I. INTRODUCTION

INTRODUCTION

INTRODUCTION TO DIRECT MAIL

Direct mail is one of the original forms of advertising in the United States, along with newspapers and posters, and originally dates back to the 1870s, when New York Life Insurance Co. purportedly began using direct mail promotions.

It has grown by leaps and bounds since the 1870s.



Direct mail continued to grow in the 1980's and 1990's, thanks in large part to the **relatively low cost of mail in the US compared to other developed nations**. Advertisers sought to reach people in their homes with unique, differentiated creatives using tangible mail, and by the mid-2000s direct mail was a \$25 billion advertising market in the US.

However, systemic challenges have arisen. Electronic mail has grown over the past 25 years and is now ubiquitous, and has led to stagnating mail volume (volume has declined by an average -2% per year since 2011, with first class mail falling slightly more at -3.5% than marketing mail at -1.7%) and lower advertising sales. But direct mail remains far more resilient than many local media channels, like newspapers and local

broadcast television. Product developments like **Informed Delivery** help tie electronic mail to physical mail, and help keep physical mail relevant, and have proven to be tremendously popular with Americans.

Direct mail still remains an integral component of everyday life. More than half of all adults check the mail every single day, including three quarters of all baby boomers. Furthermore, people enjoy checking their mail. An incredible 80% of people said that they looked forward to seeing what was in their mailbox. People spend more time reading their mail too. On average, people spent more than 8 minutes opening and reading mail in 2020, compared to 6 minutes in 2019, as people stuck indoors due to the pandemic looked forward to seeing what mail they received.

By the end of 2020 direct mail was a \$16bn market, with a core group of loyal industries that continued to spend, such as finance and telecommunications, **an engaged audience** that spends time opening and reading mail, **and new product developments**, like Informed Delivery and advanced addressable mail, that integrate aspects of digital media and help position direct mail for the future.

Note that MAGNA defines direct mail advertising market as including 100% of marketing mail - also referred to as "standard mail" - plus 10% of "first class mail" (the bulk of first class mail is not considered to be advertising related).